

OUTDSHOORN

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2020

OUDTSHOORN LOCAL MUNICIPALITY

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OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

GENERAL INFORMATION

NATURE OF BUSINESS

Oudtshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Oudtshoorn Municipality includes the following areas:
Oudtshoorn, Dysseisdorp, De Rust, Volmoed, De Hoop

EXECUTIVE MAYOR

CF Sylvester (resigned 11 June)
 N Mwati (Acting Executive Mayor from 11 June)

DEPUTY EXECUTIVE MAYOR

N Mwati

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor	CF Sylvester (resigned 11 June 2020)
Deputy Executive Mayor	N Mwati
Speaker	J le Roux Krowitz
Executive Mayoral Committee	DJ Fourie
Executive Mayoral Committee	E Fortuin
Executive Mayoral Committee	GJ Kersop
Executive Mayoral Committee	H Ruiters
Executive Mayoral Committee	N Soman

ACTING MUNICIPAL MANAGER

G De Jager

ACTING CHIEF FINANCIAL OFFICER

LH Fourie

BUSINESS ADDRESS

69 Voortrekker Road
 OUDTSHOORN
 6625

AUDITORS

Office of the Auditor-General (Western Cape)
 Private Bag X1
 CHEMPET
 7442

PRINCIPLE BANKERS

Standard Bank

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

ATTORNEYS

Coetzee and v/d Bergh Attorneys - 41 Baron van Rheede Street, Oudtshoorn.
Millers Inc - 123 Meade Street, George.
Harker Attorneys - 14 Van der Merwe Street, Oudtshoorn.
Stadler & Swart Attorneys - 01 Doneraile Street, George.
Oosthuisen Marais Pretorius Inc. - 16 Sioux Street. Mossel Bay
Nandi Bulabula Attorneys - Florence Place Main Street, Plettenberg Bay.
Lizel Venter Attorneys - 7 Mar-Ane Park Susan Pardew Road, Mossel Bay
James King Badenhorst Attorneys - 144 St John Street, Oudtshoorn
Webber Wentzel Attorneys - 15th Floor Convention Tower, Heerengracht, Foreshore, Cape Town.
Bradley Conradie Halton Cheadle - The Gate Way, G04 Century Way, Century City, Cape Town.
Adv J De Waal SC - Six Floor, 56 Keerom Street, Cape Town.

- Basic Conditions of Employment Act (Act no 75 of 1997)
- Collective Agreements
- Division of Revenue Act
- Electricity Act (Act no 41 of 1987)
- Employment Equity Act (Act no 55 of 1998)
- Housing Act (Act no 107 of 1997)
- Infrastructure Grants
- Municipal Budget and Reporting Regulations
- Municipal Finance Management Act (Act no 56 of 2003)
- Municipal Planning and Performance Management Regulations
- Municipal Property Rates Act (Act no 6 of 2004)
- Municipal Regulations on Standard Chart of Accounts
- Municipal Structures Act (Act no 117 of 1998)
- Municipal Systems Act (Act no 32 of 2000)
- Municipal Systems Amendment Act (Act no 7 of 2011)
- SALBC Leave Regulations
- Skills Development Levies Act (Act no 9 of 1999)
- Supply Chain Management Regulations, 2005
- The Income Tax Act
- Unemployment Insurance Act (Act no 30 of 1966)
- Value Added Tax Act
- Water Services Act (Act no 108 of 1997)

MEMBERS OF THE OUDTSHOORN LOCAL MUNICIPALITY

COUNCILLOR

Councillor	LPO Wagenaar
Councillor	RR Wildschut
Councillor	JC Lambaatjeen
Councillor	LS Stone
Councillor	H Botha
Councillor	MBG Theyse
Councillor	H Human

OUDTSHOORN LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

GENERAL INFORMATION

PROPORTIONAL

Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor

COUNCILLOR

HG Juthe
 JE Floors
 JH Tyatya
 M Titus
 VM Donson
 N Magopeni
 K Windvogel
 CL Cobus
 DR Maarman
 BV Owen

OUDTSHOORN LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year for the year ended 30 June 2020, which are set out on pages 5 to 99 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

As per Government Gazette no 43582 dated 5 August 2020, National Treasury has granted municipalities a two month extension regarding the submission of Annual Financial Statements. The municipality has taken advantage of this extension.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality’s cash flow forecast for the year to 30 June 2021 and am satisfied that the Municipality can continue as a going concern for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality’s financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis.

 GP De Jager
Acting Municipal Manager

Date

OUDTSHOORN LOCAL MUNICIPALITY

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GR De Jager
Acting Municipal Manager

30/10/2020
Date

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Notes	2020 Actual R	2019 Restated R
ASSETS			
Non-Current Assets		877 909 711	864 030 319
Property, Plant and Equipment	2	846 643 910	833 674 646
Investment Property	3	15 954 021	14 871 102
Intangible Assets	4	1 537 435	1 710 227
Heritage Assets	5	13 774 345	13 774 345
Current Assets		232 822 363	175 616 684
Inventory	6	2 354 468	2 454 745
Receivables from Exchange Transactions	7	40 180 018	41 827 712
Receivables from Non-exchange Transactions	8	10 495 462	8 185 094
Unpaid Transfers and Subsidies	18	2 000 000	-
Operating Lease Asset	9	5 230	616
Cash and Cash Equivalents	10	177 787 185	123 148 517
Total Assets		1 110 732 075	1 039 647 004
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		158 035 101	164 566 022
Long-term Borrowings	11	37 737 029	32 230 032
Non-current Provisions	12	20 792 071	26 987 188
Non-current Employee Benefits	13	99 506 001	105 348 802
Current Liabilities		183 940 602	150 579 582
Consumer Deposits	14	10 678 791	9 963 569
Current Employee Benefits	16	30 764 138	24 210 936
Trade and Other Payables from Exchange Transactions	17	69 876 490	56 629 414
Unspent Transfers and Subsidies	18	53 508 289	38 694 675
Taxes	19	5 115 373	5 613 018
Current Portion of Long-term Borrowings	11	13 997 520	15 467 969
Total Liabilities		341 975 703	315 145 604
Net Assets		768 756 372	724 501 399
Accumulated Surplus/(Deficit)		768 756 372	724 501 399
Total Net Assets and Liabilities		1 110 732 075	1 039 647 003

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 Actual R	2019 Restated R
REVENUE			
Revenue from Non-exchange Transactions		279 459 250	294 733 848
Taxation Revenue		92 909 167	88 172 762
Property Rates	20	92 909 167	88 172 762
Transfer Revenue		157 955 957	171 747 108
Government Grants and Subsidies - Capital	21	63 181 689	40 929 740
Government Grants and Subsidies - Operating	21	94 712 069	130 693 218
Public Contributions and Donations		-	103 957
Contributed Property, Plant and Equipment		62 200	20 192
Other Revenue		28 594 126	34 813 978
Actuarial Gains	13	14 049 546	23 873 556
Fines, Penalties and Forfeits		12 303 035	8 952 985
Government Incentives Received		1 197 338	280 413
Interest Earned - Non-exchange Transactions		1 044 206	1 707 025
Revenue from Exchange Transactions		382 972 174	380 239 092
Service Charges	22	340 097 322	334 930 685
Entrance fees		16 131 161	16 567 153
Sales of Goods and Rendering of Services	23	4 106 539	4 604 908
Rental from Fixed Assets	24	2 715 779	3 418 494
Interest Earned - External Investments	25	10 998 733	8 962 709
Interest Earned - Exchange Transactions	26	3 687 499	5 098 131
Agency Services		4 636 839	5 666 131
Operational Revenue	27	598 303	990 882
Total Revenue		662 431 425	674 972 939
EXPENDITURE			
Employee related cost	28	(250 141 605)	(233 488 152)
Remuneration of Councillors	29	(11 212 892)	(10 886 603)
Bad Debts Written Off		(24 385 890)	(34 636 459)
Contracted Services	30	(23 061 865)	(23 479 522)
Depreciation and Amortisation	31	(39 246 447)	(40 828 376)
Actuarial Losses	13	(86 031)	(2 557 835)
Interest, Dividends and Rent on Land	32	(5 976 783)	(8 020 704)
Bulk Purchases	33	(169 110 184)	(153 185 855)
Inventory Consumed	6	(16 176 281)	(19 314 163)
Operating Leases		(5 810 189)	(5 515 592)
Transfers and Subsidies	34	(4 717 217)	(3 788 163)
Operational Cost	35	(42 963 804)	(90 292 343)
Total Expenditure		(592 889 188)	(625 993 768)
Operating Surplus/(Deficit) for the Year		69 542 236	48 979 172
Reversal of Impairment Loss/(Impairment Loss) on Receivables	36	(13 080 695)	4 393 105
Gains/(Loss) on Sale of Fixed Assets	37	(2 447 718)	(961 254)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(9 758 851)	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		44 254 973	52 411 023

OUDTSHOORN LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2018	664 883 241	664 883 241
Correction of Error - note 38	7 207 136	7 207 136
Restated balance	672 090 376	672 090 376
Net Surplus/(Deficit) for the year	53 132 580	53 132 580
Balance at 30 June 2019	725 222 956	725 222 956
Correction of Error - note 38	(721 557)	(721 557)
Restated balance	724 501 399	724 501 399
Net Surplus/(Deficit) for the year	44 254 973	44 254 973
Balance at 30 June 2020	768 756 372	768 756 372

OUDTSHOORN LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 R	2019 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Ratepayers and other		444 697 960	441 753 257
Government Grants and Subsidies		171 251 331	200 783 038
Interest		9 765 351	8 962 709
Cash payments			
Suppliers and Employees		(492 674 302)	(520 794 362)
Finance Charges		(4 687 079)	(7 264 614)
Transfers and Grants		(4 717 217)	(3 788 163)
Net Cash from Operating Activities	39	123 636 044	119 651 865
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(69 985 109)	(50 937 474)
Proceeds on Disposal of Fixed Assets		462 229	-
Purchase of Investment Properties		(1 148 542)	-
Purchase of Intangible Assets		(224 277)	(666 883)
Purchase of Heritage Assets		-	-
Net Cash from Investing Activities		(70 895 699)	(51 604 357)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing - Long term/Refinancing		18 000 000	-
Repayment of Borrowing		(16 101 678)	(15 906 312)
Net Cash from Financing Activities		1 898 322	(15 906 312)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		54 638 668	52 141 196
Cash and Cash Equivalents at the beginning of the year		123 148 517	71 007 321
Cash and Cash Equivalents at the end of the year	10	177 787 185	123 148 517
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		54 638 668	52 141 196
Cash and Cash Equivalents per Balance Sheet		177 787 185	123 148 517

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome 2020	Variance as % between Actual and Final Budget
		R	R	R	R	R	%
ASSETS							
Current Assets	43.2.1						
Cash		15 244 064	33 347 062	48 591 126	48 591 126	26 528 117	-45.41%
Call Investment Deposits		40 000 000	-	40 000 000	40 000 000	151 259 068	278.15%
Consumer Debtors		44 381 549	21 468 663	65 850 213	65 850 213	37 553 925	-42.97%
Other Debtors		2 028 559	6 156 535	8 185 094	8 185 094	15 121 555	84.75%
Operating Lease Asset		3 066	(3 066)	-	-	5 230	100.00%
Inventory		1 885 508	569 237	2 454 745	2 454 745	2 354 468	-4.09%
Total Current Assets		103 542 746	61 538 431	165 081 178	165 081 178	232 822 363	41.04%
Non-Current Assets	43.2.2						
Investment Property		67 651 490	(50 395 870)	17 255 620	17 255 620	15 954 021	-7.54%
Property, Plant and Equipment		873 711 984	40 728 742	914 440 726	914 440 726	846 643 910	-7.41%
Intangible Assets		2 346 542	(636 432)	1 710 110	1 710 110	1 537 435	-10.10%
Heritage Assets		13 774 345	-	13 774 345	13 774 345	13 774 345	0.00%
Total Non-Current Assets		957 484 361	(10 303 560)	947 180 801	947 180 801	877 909 711	-7.31%
TOTAL ASSETS		1 061 027 107	51 234 872	1 112 261 979	1 112 261 979	1 110 732 075	-0.14%
LIABILITIES							
Current Liabilities	43.2.3						
Borrowing		17 000 000	(1 532 031)	15 467 969	15 467 969	13 997 520	-9.51%
Unspent Transfers and Subsidies		3 695 218	45 380 000	49 075 218	49 075 218	53 508 289	9.03%
Consumer Deposits		10 458 377	103 007	10 561 383	10 561 383	10 678 791	1.11%
Trade and Other Payables		61 795 076	8 168 926	69 964 002	69 964 002	69 876 490	-0.13%
Taxes		8 127 832	(2 514 814)	5 613 018	5 613 018	5 115 373	-8.87%
Provisions		25 014 622	645 791	25 660 412	25 660 412	30 764 138	19.89%
Total Current Liabilities		126 091 124	50 250 879	176 342 003	176 342 003	183 940 602	4.31%
Non-Current Liabilities	43.2.4						
Borrowing		49 187 266	(14 425 204)	34 762 062	34 762 062	37 737 029	8.56%
Provisions		197 172 998	(54 416 686)	142 756 312	142 756 312	120 298 072	-15.73%
Total Non-Current Liabilities		246 360 264	(68 841 890)	177 518 374	177 518 374	158 035 101	-10.98%
TOTAL LIABILITIES		372 451 388	(18 591 011)	353 860 377	353 860 377	341 975 703	-3.36%
NET ASSETS	43.2.5						
Accumulated Surplus/(Deficit)		674 575 719	83 825 883	758 401 601	758 401 601	768 756 372	1.37%
Reserves		14 000 000	(14 000 000)	-	-	-	0.00%
TOTAL NET ASSETS		688 575 719	69 825 883	758 401 601	758 401 601	768 756 372	1.37%

ODTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome	Variance as % between Actual and Final Budget
		R	R	R	R	R	%
REVENUE	43.2.6						
Property Rates		93 374 574	(644 390)	92 730 184	92 730 184	92 909 167	0.19%
Service Charges - Electricity Revenue		253 608 796	(21 224 684)	232 384 113	232 384 113	228 561 937	-1.64%
Service Charges - Water Revenue		70 738 286	(9 739 100)	60 999 186	60 999 186	58 694 763	-3.78%
Service Charges - Sanitation Revenue		34 809 355	(346 915)	34 462 440	34 462 440	34 068 829	-1.14%
Service Charges - Refuse Revenue		19 022 580	(307 371)	18 715 210	18 715 210	18 771 793	0.30%
Rental of Facilities and Equipment		3 064 932	(817 537)	2 247 395	2 247 395	2 715 779	20.84%
Interest Earned - External Investments		6 235 355	4 153 954	10 389 309	10 389 309	10 998 733	5.87%
Interest Earned - Outstanding Debtors		6 839 707	(2 108 002)	4 731 705	4 731 705	4 731 705	0.00%
Fines		7 345 164	(920 819)	6 424 345	6 424 345	12 303 035	91.51%
Licences and Permits		350 114	(91 213)	258 901	258 901	-	-100.00%
Agency Services		3 978 989	1 513 460	5 492 449	5 492 449	4 636 839	-15.58%
Transfers Recognised - Operational		102 404 350	16 885 396	119 289 746	119 289 746	94 712 069	-20.60%
Other Revenue		23 982 192	(4 265 752)	19 716 440	19 716 440	36 082 887	83.01%
Total Revenue (excluding capital transfers and contributions)		625 754 392	(17 912 972)	607 841 421	607 841 421	599 187 536	-1.42%
EXPENDITURE	43.2.7						
Employee Related Costs		276 836 367	(22 249 433)	254 586 934	254 586 934	250 141 605	-1.75%
Remuneration of Councillors		11 650 267	246 470	11 896 737	11 896 737	11 212 892	-5.75%
Debt Impairment		18 932 000	13 736 572	32 668 572	32 668 572	37 466 585	14.69%
Depreciation and Asset Impairment		41 305 146	(149 592)	41 155 554	41 155 554	39 246 447	-4.64%
Finance Charges		11 252 364	(4 386 636)	6 865 728	6 865 728	5 976 783	-12.95%
Bulk Purchases		181 099 701	(6 000 000)	175 099 701	175 099 701	169 110 184	-3.42%
Other Materials		27 246 047	(5 332 733)	21 913 314	21 913 314	16 176 281	-26.18%
Contracted Services		38 969 073	(3 015 556)	35 953 517	35 953 517	23 061 865	-35.86%
Transfers and Grants		3 240 100	3 357 000	6 597 100	6 597 100	4 717 217	-28.50%
Other Expenditure		78 120 991	8 757 330	86 878 321	86 878 321	58 618 875	-32.53%
Loss on Disposal of PPE			-		-	2 447 718	100.00%
Total Expenditure		688 652 056	(15 036 577)	673 615 479	673 615 479	618 176 452	-8.23%
Surplus/(Deficit)		(62 897 664)	(2 876 395)	(65 774 058)	(65 774 058)	(18 988 916)	-71.13%
Transfers Recognised - Capital		64 826 650	41 350 216	106 176 866	106 176 866	63 181 689	-40.49%
Contributed Assets			-		-	62 200	100.00%
Surplus/(Deficit) after Capital Transfers & Contributions		1 928 987	38 473 821	40 402 808	40 402 808	44 254 973	9.53%
Surplus/(Deficit) for the year		1 928 987	38 473 821	40 402 808	40 402 808	44 254 973	9.53%

OUDTSHOORN LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Final Budget	Actual Outcome 2020 R	Variance as % between Actual and Final Budget %
		R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and Other		489 884 984	(52 762 030)	440 600 902	440 600 902	444 697 960	0.93%
Government Grants and Subsidies		167 231 000	58 235 612	225 466 612	225 466 612	171 251 331	-24.05%
Interest		12 869 871	2 014 558	14 884 429	14 884 429	9 765 351	-34.39%
Other Revenue					-		
Payments							
Suppliers and Employees		(594 070 466)	20 477 288	(573 593 178)	(573 593 178)	(492 674 302)	-14.11%
Finance costs		(11 252 364)	4 386 636	(6 865 728)	(6 865 728)	(4 687 079)	-31.73%
Transfers and Grants		(3 240 100)	(3 357 000)	(6 597 100)	(6 597 100)	(4 717 217)	-28.50%
Net Cash from/(used) Operating Activities	43.2.8	61 422 925	28 995 064	93 895 936	93 895 936	123 636 044	31.67%
CASH FLOW FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE			-		-	462 229	100.00%
Payments							
Capital Assets		(80 531 726)	(51 264 902)	(131 796 629)	(131 796 629)	(71 357 928)	-45.86%
Net Cash from/(used) Investing Activities	43.2.9	(80 531 726)	(51 264 902)	(131 796 629)	(131 796 629)	(70 895 699)	-46.21%
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts							
Borrowing long term/refinancing		18 000 000	-	18 000 000	18 000 000	18 000 000	0.00%
Increase/(Decrease) in Consumer Deposits		591 984	-	591 984	591 984	-	-100.00%
Payments							
Repayment of Borrowing		(17 000 000)	1 751 317	(15 248 683)	(15 248 683)	(16 101 678)	5.59%
Net Cash from/(used) Financing Activities	43.2.10	1 591 984	1 751 317	3 343 301	3 343 301	1 898 322	-43.22%
NET INCREASE/(DECREASE) IN CASH HELD		(17 516 818)	(20 518 521)	(34 557 392)	(34 557 392)	54 638 668	-258.11%
Cash and Cash Equivalents at the year begin:		72 760 882	50 387 636	123 148 518	123 148 518	123 148 517	0.00%
Cash and Cash Equivalents at the year end:		55 244 064	29 869 115	88 591 126	88 591 126	177 787 185	100.68%

OUTDSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2020

	Cost/Revaluation								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Contributed PPE	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Land and Buildings															
Land	78 340 485	-		-		-	-	78 340 485	18 289 750	-	-	-	3 084 458	21 374 208	56 966 277
Buildings	45 468 445	-	1 231 747	141 387		-	-	46 841 579	8 852 079	-	838 498	-	2 249 116	11 939 693	34 901 886
	123 808 930	-	1 231 747	141 387		-	-	125 182 064	27 141 829	-	838 498	-	5 333 574	33 313 901	91 868 163
Infrastructure															
Roads & Stormwater	221 669 639	-	1 121 011	13 485 086		-	(112 087)	236 163 648	72 936 149	-	8 080 180	-	(63 855)	80 952 474	155 211 175
Electricity	166 296 499	-	3 788 254	4 496 079		-	-	174 580 832	63 778 229	-	6 906 184	-	-	70 684 413	103 896 419
Water Supply	381 830 880	-	22 395	40 253 493		-	-	422 106 768	104 999 921	-	9 619 983	-	-	114 619 904	307 486 863
Sanitation	101 922 534	-	-	1 628 678		-	-	103 551 212	25 562 899	-	3 877 211	-	-	29 440 110	74 111 102
Solid Waste Infrastructure	8 510 028	-	-	-		-	-	8 510 028	232 983	-	233 368	-	-	466 351	8 043 677
Communion Infrastructure	986 701	-	34 860	-		-	-	1 021 561	-	-	99 459	-	-	99 459	922 102
	881 216 281	-	4 966 519	59 863 336		-	(112 087)	945 934 049	267 510 180	-	28 816 387	-	(63 855)	296 262 712	649 671 338
Capitalised Restoration Cost	11 527 893							11 527 893	5 737 857		359 712		5 430 324	11 527 893	0
Community Assets															
Libraries	7 075 476			297 765				7 373 241	1 179 479	-	99 276	-	-	1 278 755	6 094 486
Civic Buildings	23 437 266	-		-		-	-	23 437 266	6 618 873	-	375 440	-	(358 664)	6 635 649	16 801 617
Recreational Facilities	82 634 989	-		357 325		-	(826 248)	82 166 066	29 594 352	-	975 010	-	6 604 558	37 173 920	44 992 146
Cemeteries	2 425 539	-		-		-	(695 248)	1 730 291	330 604	-	289 561	-	(419 494)	200 670	1 529 621
Other	11 962 116	-		589 844		-	-	12 551 960	3 013 772	-	152 992	-	(202 584)	2 964 180	9 587 780
	127 535 386	-	-	1 244 934	-	-	(1 521 496)	127 258 823	40 737 079	-	1 892 279	-	5 623 815	48 253 173	79 005 650

	Cost/Revaluation								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Contributed PPE	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Other Assets															
Furniture and Office Equipment	12 073 919	-	346 322	-	-	-	(462 267)	11 957 973	5 380 835	-	1 174 231	-	(332 423)	6 222 644	5 735 329
Motor vehicles	17 826 029	-	454 355	-		-	(167 544)	18 112 840	8 964 806	-	609 267	-	(110 738)	9 463 336	8 649 504
Computer Equipment	6 281 518	-	629 112	-	62 200	-	(403 247)	6 569 583	1 757 949	-	810 897	-	(283 466)	2 285 380	4 284 203
Plant & Equipment	8 656 310	-	1 107 409	-		-	(1 690 988)	8 072 732	4 386 950	-	935 802	-	(1 437 129)	3 885 623	4 187 109
	44 837 776	-	2 537 198	-	62 200	-	(2 724 046)	44 713 127	20 490 540	-	3 530 198	-	(2 163 756)	21 856 982	22 856 146
Leases															
Vehicles and Office Equipment	18 392 694	-	1 859 319	-		-	(15 327 661)	4 924 351	12 026 843	-	3 293 603	-	(13 638 693)	1 681 753	3 242 598
	18 392 694	-	1 859 319	-		-	(15 327 661)	4 924 351	12 026 843	-	3 293 603	-	(13 638 693)	1 681 753	3 242 598
Total	1 207 318 960	-	10 594 783	61 249 656	62 200	-	(19 685 290)	1 259 540 309	373 644 329	-	38 730 676	-	521 409	412 896 414	846 643 895

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.2 30 JUNE 2019

	Cost/Revaluation								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Contributed PPE	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Land and Buildings															
Land	78 340 485	-	-	-	-	-	-	78 340 485	18 289 750	-	-	-	-	18 289 750	60 050 735
Balance Previously Reported	76 990 485							76 990 485	18 289 750					18 289 750	58 700 735
Correction of error note 38.2 (m)	1 350 000							1 350 000						-	1 350 000
Buildings	45 275 687	-	192 758	-	-	-	-	45 468 445	8 051 586	-	800 493	-	-	8 852 079	36 616 366
Balance Previously Reported	45 256 088	-	192 758	-		-	-	45 448 846	8 055 611	-	803 446	-	-	8 859 057	36 589 789
Correction of error note 38.2(l)	19 599							19 599						-	19 599
Correction of error note 38.2(p)								(4 025)			(2 953)			(6 978)	6 978
	123 616 172	-	192 758	-	-	-	-	123 808 930	26 341 336	-	800 493	-	-	27 141 829	96 667 102
Infrastructure															
Roads & Stormwater	216 864 888	-	4 804 751	-		-	-	221 669 639	65 050 076	-	7 886 073		-	72 936 149	148 733 490
Electricity	160 707 552	-	1 987 560	3 601 387		-	-	166 296 499	56 996 165	-	6 782 063		-	63 778 229	102 518 271
Water Supply	362 949 909	-	8 510 791	10 370 180		-	-	381 830 880	95 743 498	-	9 256 423		-	104 999 921	276 830 959
Sanitation	88 383 672	-	10 991 324	2 547 538	-	-	-	101 922 534	22 013 383	-	3 549 516		-	25 562 899	76 359 635
Solid Waste Infrastructure	5 250 056	-	3 259 972			-	-	8 510 028	131 332	-	101 651		-	232 983	8 277 045
Communion Infrastructure	-	-	986 701			-	-	986 701	-	-	-	-	-	-	986 701
	834 156 076	-	30 541 100	16 519 105	-	-	-	881 216 281	239 934 454	-	27 575 726	-	-	267 510 180	613 706 100
Capitalised Restoration Cost	11 527 893							11 527 893	5 103 487		634 371			5 737 857	5 790 036
Community Assets															
Libraries	7 017 156	-	-	58 320	-	-	-	7 075 476	1 080 463	-	99 016	-	-	1 179 479	5 895 998
Balance Previously Reported	7 017 156	-	-	58 320		-	-	7 075 476	1 080 555	-	99 014	-	-	1 179 569	5 895 908
Correction of error note 38.2(p)								-	(92)		2			(90)	90
Civic Buildings	23 437 266	-	-	-	-	-	-	23 437 266	6 197 351	-	421 521	-	-	6 618 873	16 818 393
Balance Previously Reported	23 437 266	-	-	-		-	-	23 437 266	7 037 955	-	411 016	-	-	7 448 971	15 988 295
Correction of error note 38.2(o)								-	(378 353)					(378 353)	378 353
Correction of error note 38.2(p)								-	(462 251)		10 506			(451 745)	451 745
Recreational Facilities	81 884 482	-	750 507	-	-	-	-	82 634 989	28 302 645	-	1 291 707	-	-	29 594 352	53 040 637
Balance Previously Reported	81 884 482	-	762 334	-		-	-	82 646 816	32 344 230	-	1 256 164	-	-	33 600 394	49 046 422
Correction of error note 38.2(h)			(11 826)					(11 826)						-	(11 826)
Correction of error note 38.2(o)									(1 416 530)					(1 416 530)	1 416 530
Correction of error note 38.2(p)									(12)		0			(12)	12
Correction of error note 38.2(p)									(2 625 043)		35 543			(2 589 500)	2 589 500
Cemeteries	2 425 539	-	-	-		-	-	2 425 539	305 140	-	25 464	-	-	330 604	2 094 935
Balance Previously Reported	2 425 539	-	-	-		-	-	2 425 539	305 163	-	25 463	-	-	330 626	2 094 913
Correction of error note 38.2(p)								-	(23)		1			(22)	22
Other	11 962 116	-	-	-	-	-	-	11 962 116	2 830 881	-	182 891	-	-	3 013 772	8 948 344
Balance Previously Reported	11 282 116	-		-		-	-	11 282 116	2 993 980	-	172 707	-	-	3 166 687	8 115 428
Correction of error note 38.2 (n)	680 000							680 000	35 376		5 900			41 276	638 724
Correction of error note 38.2(p)									(198 475)		4 284			(194 191)	194 191
	126 726 559	-	750 507	58 320	-	-	-	127 535 386	38 716 480	-	2 020 599	-	-	40 737 079	86 798 307

OUTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

30 JUNE 2019 (Continue)

	Cost/Revaluation								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions	Under Construction	Contributed PPE	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Other Assets															
Furniture and Office Equipment	12 358 610	-	460 726	-	3 595	-	(749 011)	12 073 919	4 608 138	-	1 274 938	-	(502 241)	5 380 835	6 693 083
Balance Previously Reported	12 136 232	-	460 726	-	3 595	-	(749 011)	11 851 541	4 467 084	-	1 262 085	-	(502 241)	5 226 928	6 624 613
Correction of error note 38.2(q)	222 378							222 378	141 054		12 853			153 907	68 471
Motor vehicles	19 217 294	-	-	-		-	(1 391 266)	17 826 029	9 175 039	-	817 302	-	(1 027 534)	8 964 806	8 861 222
Computer Equipment	5 529 926	-	1 398 326	-	16 597	-	(663 331)	6 281 518	1 353 366	-	846 913	-	(442 331)	1 757 949	4 523 569
Balance Previously Reported	5 506 424	-	1 398 326	-	16 597	-	(663 331)	6 258 016	1 337 226	-	845 442	-	(442 331)	1 740 338	4 517 678
Correction of error note 38.2(q)	23 502							23 502	16 140		1 471			17 611	5 891
Plant & Equipment	7 958 514	-	1 016 614	-	-	-	(318 817)	8 656 310	3 843 715	-	766 786	-	(223 551)	4 386 950	4 269 360
Balance Previously Reported	7 840 282	-	1 016 614	-		-	(318 817)	8 538 079	3 759 899	-	759 144	-	(223 551)	4 295 492	4 242 586
Correction of error note 38.2(q)	118 232							118 232	83 816		7 642			91 458	26 774
	45 064 344	-	2 875 665	-	20 192	-	(3 122 426)	44 837 776	18 980 258	-	3 705 939	-	(2 195 657)	20 490 540	24 347 235
Leases															
Vehicles and Office Equipment	15 444 123	-	3 065 033	-		-	(116 462)	18 392 694	6 468 504	-	5 640 316	-	(81 977)	12 026 843	6 365 851
	15 444 123	-	3 065 033	-		-	(116 462)	18 392 694	6 468 504	-	5 640 316	-	(81 977)	12 026 843	6 365 851
Total	1 156 535 167	-	37 425 063	16 577 425	20 192	-	(3 238 887)	1 207 318 960	335 544 519	-	40 377 444	-	(2 277 633)	373 644 329	833 674 631

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. PROPERTY, PLANT AND EQUIPMENT

See previous sheet page 49
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page 51

	2020 R	2019 R
2.2 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	119 198 619	71 123 693
Roads & Stormwater	13 485 086	-
Electricity	4 496 079	3 601 387
Water Supply	96 135 348	64 922 725
Sanitation	5 082 107	2 599 582
Community Assets	1 303 254	58 320
Other Assets	141 387	19 599
Total Property, Plant and Equipment under construction	120 643 259	71 201 612
2.3 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:		
Infrastructure Assets	84 419 966	58 208 667
Water Supply	84 419 966	58 208 667
Total	84 419 966	58 208 667
Blossoms pipeline disclosed as taking longer than expected, due to funding from RBIG and WSIG cancelled prior years. Drought relief subsidy from WSIG only made available again from 2018/19.		
2.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Employee related costs	-	-
Other materials	12 406 410	13 137 486
Contracted Services	901 270	3 767 461
Other Expenditure	119 599	72 882
Total Repairs and Maintenance	13 427 279	16 977 829
2.5 Reversal of Impairment losses of Property, Plant and Equipment		
Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:		
Capitalised Restoration Cost	2 054 497	-
Land and Buildings	24 034	-
Community Assets	1 296 870	-
Total Reversal of Impairment losses	3 375 401	-
2.6 Effect of changes in accounting estimates		
<i>Disclose the effect of a change in accounting estimate will have on the current period and subsequent periods. If no changes in accounting estimate, clearly state the fact.</i>		
Effect on Property, plant and equipment	-	-
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	47 813 772	49 002 164
Infrastructure	47 813 772	49 002 164
Total	47 813 772	49 002 164
This expenditure will be financed from:		
Government Grants	23 061 027	34 289 953
Own Resources	24 752 745	14 712 211
Total	47 813 772	49 002 164

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020 R	2019 R
3. INVESTMENT PROPERTY			
3.1 Net Carrying amount at 1 July		14 871 102	14 989 802
Cost/Valuation		19 368 000	19 368 000
Accumulated Depreciation		(1 423 819)	(1 305 230)
Correction of Error - Note 38.2(p)		-	111
Accumulated Impairment Loss		(3 073 079)	(3 073 079)
Additions		1 148 542	-
Depreciation for the year		(118 702)	(118 700)
Reversal of Impairment loss		53 079	-
Net Carrying amount at 30 June		15 954 021	14 871 102
Cost/Valuation		20 516 542	19 368 000
Accumulated Depreciation		(1 542 520)	(1 423 819)
Accumulated Impairment Loss		(3 020 000)	(3 073 079)
3.2 Revenue from Investment Property			
Revenue derived from the rental of Investment Property		338 274	397 461
3.3 Investment Property which is in the process of being constructed or developed:			
Revenue Generating		1 148 542	-
Improved Property		1 148 542	-
4. INTANGIBLE ASSETS			
4.1 Net Carrying amount at 1 July		1 710 227	1 375 574
Cost		2 932 580	2 265 697
Accumulated Amortisation		(1 222 353)	(1 147 399)
Correction of Error note 38.2(k)			257 277
Additions		224 277	666 883
Amortisation		(397 068)	(280 775)
Correction of Error note 38.2(k)		-	(51 455)
Net Carrying amount at 30 June		1 537 435	1 710 227
Cost		3 156 856	2 932 580
Accumulated Amortisation		(1 619 421)	(1 222 353)
4.2 Material Intangible Assets included in the carrying value:			
	<u>Remaining</u>		
<u>Description</u>	<u>Amortisation Period</u>		
Software	3-5	1 537 435	1 710 227
No intangible assets that have an indefinite useful life.			
There are no internally generated intangible assets at reporting date.			
There are no intangible assets whose title is restricted.			
There is no intangible assets pledged as security for liabilities.			
There are no contractual commitments for the acquisition of intangible assets.			
5. HERITAGE ASSETS			
5.1 Net Carrying amount at 1 July		13 774 345	13 774 345
Cost		13 774 345	13 774 345
Additions		-	-
Net Carrying amount at 30 June		13 774 345	13 774 345
Cost		13 774 345	13 774 345
There are no restrictions on the realizability of Heritage Assets or the remittance of revenue and proceeds of disposal.			
There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.			
There are no Heritage Assets pledged as security for liabilities			
There are no Heritage Assets that are used by the municipality for more than one purpose.			

OUTDSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
<u>Rust end Vrede Waterfall</u>		
<p>The Rust & vrede Waterfall is engraved into the heart of the Swartberg Mountain. The Waterfall is situated on a scenic detour branching off the R328, 18km from Oudtshoorn on the way to the Congo Caves on erf 25. It is classified as a heritage asset controlled and owned by the Municipality.</p> <p>From this waterfall, Oudtshoorn acquires its water supply which is carried by a pipeline, 35 km in length, to the town reservoir and the Raubenheimer Dam.</p> <p>The Rust and Vrede Waterfall is an asset that was not purchased or contributed. It could not be reliably measured as this is not a manmade structure and no market value exists as this is a unique natural landmark. This asset lacks comparability to other assets in the municipality. The cash flow method could not be used to obtain a value, as it is impractical to place a value on a natural landmark.</p>		
<u>Herrie's Stone, Meiringspoort, Oudtshoorn District</u>		
<p>The Afrikaans writer, C J Langenhoven, chiselled the name of the well-known elephant 'Herrie', from his book 'Sonde met die Bure', on this rock in July 1929.</p> <p>This has been declared as a Heritage Site.</p> <p>This heritage asset's value could not be reliably measured as it was not purchased nor is there an active market for it and there is no alternative method for valuating this heritage asset.</p> <p>The following Heritage Assets were identified and measured in terms of GRAP:</p>		
<u>Congo Caves</u>		
<p>This famous attraction is situated in the Congo ward 29 km north of Oudtshoorn and situated on erf 28. It is classified as a heritage asset and controlled by the Municipality.</p> <p>The entrance is in the face of a hill beside the Grobbelaar's River. The maxe of caves with their beautiful stalactite formations are most impressive. It is generally accepted that the caves were discovered in 1780 by a herdsman of a farmer called Van Zyl of Doornrivier, while he was looking for lost cattle.</p>	11 796 645	11 796 645
<u>CP Nel Museum Building</u>		
<p>The building reflects a late Victorian Colonial style of a classical building and dates from about 1909 and for some half a century served as a boys' school. In 1980 the building complex was declared a National Monument and is owned by the Municipality.</p>	1 940 000	1 940 000
<u>Mayoral Chains</u>		
<p>The municipality has two mayoral chains which are kept in a safe at the main building.</p>	37 700	37 700
5.2 Expenditure incurred to repair and maintain Heritage Assets:		
Other materials	207 084	217 742
Total Repairs and Maintenance	207 084	217 742
6. INVENTORY		
Maintenance Materials - At Cost	1 932 516	1 981 053
Water – At Cost	421 952	473 691
Total Inventory	2 354 468	2 454 745
<p>The municipality recognised only purification costs in respect of non-purchased purified water inventory.</p>		
6.1 Inventories recognised as an expense during the year:		
Consumables	6 954 439	10 000 986
Finished Goods	154 005	30 533
Materials and supplies	9 067 837	9 244 765
Correction of error note 38.2 (c)	-	37 879
Total	16 176 281	19 314 163
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	22 877 556	18 155 976
Water	25 339 818	22 766 527
Property Rentals	506	506
Waste Management	10 297 696	10 412 649
Waste Water Management	13 282 828	12 620 038
Units not billed	8 061 740	11 658 586
Legal Fees Recovery	727 184	727 184
Klein Karoo Water Scheme	3 305 964	3 336 627
Sundry municipal charges	4 990 951	6 221 095
Prepaid expenditure	15 001	38 748
Other	23 400	23 421
Suspense Debtors	2 316 635	2 429 376
Correction of Error note 38.2(f)	-	63 525
Correction of Error note 38.2(g)	-	282 291
Correction of Error note 38.2(j)	-	(106 027)
Correction of Error note 38.2(j)	-	(165 574)
Total: Receivables from exchange transactions (before provision)	91 239 278	88 464 948
Less: Provision for Debt Impairment	(51 059 260)	(46 637 236)
Total: Receivables from exchange transactions (after provision)	40 180 018	41 827 712

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

	2020 R	2019 R
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	10 226 122	9 783 966
31 - 60 Days	2 259 200	870 613
61 - 90 Days	1 588 314	519 949
+ 90 Days	8 803 921	6 981 448
Total	22 877 556	18 155 976
<u>(Water): Ageing</u>		
Current (0 - 30 days)	4 037 967	3 823 655
31 - 60 Days	1 977 287	1 245 666
61 - 90 Days	1 544 480	1 077 780
+ 90 Days	17 780 084	16 619 426
Total	25 339 818	22 766 527
<u>(Property Rentals): Ageing</u>		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	506	506
Total	506	506
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	1 514 244	1 446 668
31 - 60 Days	656 192	395 790
61 - 90 Days	495 396	274 689
+ 90 Days	7 631 864	8 295 501
Total	10 297 696	10 412 649
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	2 591 845	2 340 827
31 - 60 Days	954 368	514 095
61 - 90 Days	697 657	328 132
+ 90 Days	9 038 958	9 436 983
Total	13 282 828	12 620 038
<u>(Units not billed): Ageing</u>		
Current (0 - 30 days)	8 061 740	11 658 586
31 - 60 Days		
61 - 90 Days		
+ 90 Days		
Total	8 061 740	11 658 586
<u>(Legal Fees Recovery): Ageing</u>		
Current (0 - 30 days)		
31 - 60 Days		
61 - 90 Days		
+ 90 Days	727 184	727 184
Total	727 184	727 184
<u>(Klein Karoo Water Scheme): Ageing</u>		
Current (0 - 30 days)	658 037	257 363
31 - 60 Days	188 415	145 191
61 - 90 Days	197 550	130 896
+ 90 Days	2 261 962	2 803 177
Total	3 305 964	3 336 627
<u>(Sundry municipal charges): Ageing</u>		
Current (0 - 30 days)	564 805	628 960
31 - 60 Days	172 502	446 184
61 - 90 Days	167 013	90 036
+ 90 Days	6 403 266	7 485 292
Total	7 307 586	8 650 471

OUDTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
<u>(Prepaid expenditure): Ageing</u>		
Current (0 - 30 days)	15 001	38 748
31 - 60 Days		
61 - 90 Days		
+ 90 Days		
Total	15 001	38 748

<u>(Other): Ageing</u>		
Current (0 - 30 days)		-
31 - 60 Days		10
61 - 90 Days		-
+ 90 Days	23 400	23 410
Total	23 400	23 421

<u>(Total): Ageing</u>		
Current (0 - 30 days)	27 669 761	29 978 773
31 - 60 Days	6 207 963	3 617 551
61 - 90 Days	4 690 410	2 421 482
+ 90 Days	52 671 145	52 447 143
Total	91 239 278	88 464 948

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2020				
Current (0 - 30 days)	725 349	11 446 633	5 067 875	2 353 164
31 - 60 Days	230 564	4 568 375	966 767	442 257
61 - 90 Days	211 687	3 549 670	790 396	138 657
+ 90 Days	14 901 217	40 419 989	4 929 435	497 245
Total debtors by customer classification	16 068 817	59 984 667	11 754 472	3 431 324

Summary of Service Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2019				
Current (0 - 30 days)	237 698	13 746 587	5 951 632	(1 294 563)
31 - 60 Days	173 907	3 809 034	605 096	52 930
61 - 90 Days	141 677	2 704 273	176 331	33 078
+ 90 Days	6 162 492	52 174 303	3 417 912	372 559
Total debtors by customer classification	6 715 775	72 434 197	10 150 972	(835 996)

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	46 637 236	47 777 162
Contribution to provision	4 422 024	-
Reversal of provision	-	(1 139 926)
Balance at end of year	51 059 260	46 637 236

The total amount of this provision is R51 059 260 and consist of:

Services	51 059 260	46 637 236
Total Provision for Debt Impairment on Receivables from exchange transactions	51 059 260	46 637 236

Ageing of amounts past due but not impaired:

Services	12 510 257	11 848 939
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The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020 R	2019 R
8.	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Taxes - Rates	27 281 708	21 544 971
	Fines	13 121 555	7 889 255
	<u>Less:</u> Provision for Debt Impairment	40 403 263 (29 907 801)	29 434 226 (21 249 131)
	Total Receivables from non-exchange transactions	10 495 462	8 185 094
	The fair value of other receivables approximate their carrying value.		
	Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.		
	<u>(Rates): Ageing</u>		
	Current (0 - 30 days)	5 817 451	5 316 053
	31 - 60 Days	1 944 985	1 023 412
	61 - 90 Days	1 483 194	669 873
	+ 90 Days	18 036 078	14 535 633
	Total	27 281 708	21 544 971
	<u>(Fines): Ageing</u>		
	Current (0 - 30 days)	83 100	595 000
	31 - 60 Days	404 300	807 500
	61 - 90 Days	1 107 050	641 350
	+ 90 Days	11 527 105	5 845 405
	Total	13 121 555	7 889 255
	<u>Summary of Debtors (Rates) by Customer Classification</u>		
			National and Provincial Government
	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>
	30 June 2020		
	Current (0 - 30 days)	112 665	5 107 168
	31 - 60 Days	409 503	1 709 158
	61 - 90 Days	1 109 214	1 288 660
	+ 90 Days	11 848 307	16 787 549
	Total debtors by customer classification	13 479 688	24 892 536
	<u>Summary of Debtors (Rates) by Customer Classification</u>		
			national and Provincial Government
	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>
	30 June 2019		
	Current (0 - 30 days)	33 257	4 970 878
	31 - 60 Days	5 190	991 737
	61 - 90 Days	802	648 769
	+ 90 Days	8 053 289	13 912 470
	Total debtors by customer classification	8 092 539	20 523 854
	<u>Reconciliation of Provision for Debt Impairment</u>		
	Balance at beginning of year	21 249 131	24 502 311
	Contribution to provision	8 658 670	-
	Reversal of provision	-	(3 253 180)
	Balance at end of year	29 907 801	21 249 131
	The total amount of this provision is R29 907 802 and consist of:		
	Taxes	18 420 112	13 988 692
	Fines	10 789 722	6 562 471
	Other	697 968	697 968
	Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	29 907 802	21 249 132
	<u>Ageing of amounts past due but not impaired:</u>		
	Rates	3 044 145	2 240 225
	Fines	2 248 733	731 784
		5 292 878	2 972 009
9	The Municipality as Lessor		
	Operating Lease Asset	5 230	616
	<u>Disclosed as follows:</u>		
	Current Operating Lease Liability	5 230	616
		5 230	616

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Reconciliation		
Balance at the beginning of the year	616	3 066
Movement during the year	4 614	(2 450)
Balance at the end of the year	5 230	616

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	156 522	7 503
1 to 5 Years	641 367	-
More than 5 Years	667 409	
Total Operating Lease Arrangements	1 465 297	7 503

This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.

10. CASH AND CASH EQUIVALENTS

10.1 Cash and Cash Equivalents

Cash At Bank	26 490 257	25 080 246
Call Deposits and Investments	151 259 068	98 030 410
Cash On-hand	37 860	37 860
Total Cash and Cash Equivalents - Assets	177 787 185	123 148 517

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R151 259 068 are held to, inter alia fund the Unspent Conditional Grants 2020 to value R53 388 149 and Unspent Borrowing of R11 211 726

The municipality has the following bank accounts:

Primary Accounts

Standard bank 082808678	(716 880)	461 385
Standard bank 082808724	27 124 531	24 530 401
Standard Bank 08288988	-	88 460
Standard Bank 082809097	82 606	-
	26 490 257	25 080 246

Call Deposits and Investments

Nedbank Account no 03 / 7881019344 / 29	109 632	103 022
Nedbank Account no 03/7881001143-129	2 115 548	-
Nedbank Account no 03/7881001143/130	10 185 605	-
Nedbank Account no 03/7881001143/131	12 707 680	-
Nedbank Account no 03/7881001143/137	21 042 741	-
Nedbank Account no 03/7881001143/175	10 693 336	-
Nedbank Account no 03/7881001143/176	7 728 416	-
Nedbank Account no 03/7881001143/204		7 003 609
Nedbank Account no 03/7881001143/208		6 642 532
Nedbank Account no 03/7881001143/210		1 713 516
Nedbank Account no 03/7881001143/212		2 633 098
Nedbank Account no 03/7881001143/213		4 585 313
Nedbank Account no 03/7881001143/214		10 849 399
Nedbank Account no 03/7881001143/215		8 513 429
Nedbank Account no 03/7881001143/250	7 208 431	
Nedbank Account no 03/7881001143/251	2 843 555	
Nedbank Account no 03/7881001143/252	773 001	
Standard Bank Account no288835379-016		20 060 310
Standard Account no 288835379005	5 127 302	-
Standard Account no 288835379008	10 680 585	
Standard Account no 288835379010	10 238 282	-
Standard Account no 288835379019	2 199 742	
Standard Account no 288835379035	25 741 099	
Investec account no 1400-171058-500	14 086 764	27 887 372
Investec account no 1400-171058 501	7 777 347	7 338 810
Investec account no 1400-171058 451	-	700 000
	151 259 068	98 030 410

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Details of current accounts are as follow:		
Standard bank 082808678 (Primary Bank Account)		
Cash book balance at beginning of year	461 385	5 619 053
Cash book balance at end of year	(716 880)	461 385
Bank statement balance at beginning of year	461 385	5 619 053
Bank statement balance at end of year	73 575	461 385
Standard bank 082808724 (Primary Bank Account)		
Cash book balance at beginning of year	24 530 401	1 469 079
Cash book balance at end of year	27 124 531	24 530 401
Bank statement balance at beginning of year	22 737 552	50 000
Bank statement balance at end of year	26 537 560	22 737 552
Standard Bank 08288988 (Primary Bank Account - CAVES)		
Cash book balance at beginning of year	88 460	256 301
Cash book balance at end of year	-	88 460
Bank statement balance at beginning of year	26 155	203 501
Bank statement balance at end of year	-	26 155
Standard Bank (Traffic Account)		
Cash book balance at beginning of year	-	103 013
Cash book balance at end of year	82 606	-
Bank statement balance at beginning of year	-	103 013
Bank statement balance at end of year	-	-
Standard Bank 082809097(Traffic Account)		
Cash book balance at beginning of year	-	11 839
Cash book balance at end of year	82 606	-
Bank statement balance at beginning of year	-	11 839
Bank statement balance at end of year	-	-
11. LONG-TERM BORROWINGS		
Annuity Loans - At amortised cost	48 104 482	40 942 662
Capitalised Lease Liability - At amortised cost	3 630 067	6 755 340
	51 734 549	47 698 001
Less: Current Portion transferred to Current Liabilities	(13 997 520)	(15 467 969)
Annuity Loans - At amortised cost	(12 212 659)	(10 838 179)
Capitalised Lease Liability - At amortised cost	(1 784 861)	(4 629 790)
	37 737 029	32 230 032
Total Long-term Borrowings	37 737 029	32 230 032
11.1 The obligations under annuity loans are scheduled below:	Minimum payments	
Amounts payable under annuity loans:		
Payable within one year	16 345 235	14 874 329
Payable within two to five years	31 463 640	33 307 239
Payable after five years	14 309 301	2 808 790
	62 118 176	50 990 357
Less: Future finance obligations	(14 013 694)	(10 047 696)
Present value of annuity loans obligations	48 104 482	40 942 661
11.2 The obligations under financial leases are scheduled below:	Minimum payments	
Amounts payable under local registered stock:		
Payable within one year	2 073 714	5 042 370
Payable within two to five years	1 945 823	2 345 127
Payable after five years	-	-
	4 019 537	7 387 497
Less: Future finance obligations	(389 482)	(631 867)
Present value of local registered stock obligations	3 630 055	6 755 631

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
12. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	20 792 071	26 987 188
Total Non-current Provisions	20 792 071	26 987 188
12.1 <u>Landfill Sites</u>		
Balance 1 July	26 987 188	26 231 099
Contribution for the year	1 289 704	756 090
Change in Provision for Rehabilitation Cost	(5 430 324)	
Impairment / (Reversal)	(2 054 497)	
Total provision 30 June	20 792 071	26 987 188
Less: Transfer of Current Portion to Current Provisions - Note 15	-	-
Balance 30 June	20 792 071	26 987 188

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs.
The assumptions used are as follows

	De Rust (Closed)	De Rust(Operational)	Dysselsdorp(Close d)	Dysselsdorp(Operati onal)	Oudtshoorn
Rehabilitation Area(m²)	5 223	6 823	2 253	9 841	109 937
Costs of Rehabilitation and Closure:					
Preliminary and General	384 256	454 813	214 423	645 606	4 869 644
Site Clearance and Preparation	16 766	21 902	7 232	31 590	352 898
Storm Water Control Measures	511 440	593 936	356 221	820 624	3 529 423
Capping	1 374 958	1 783 119	604 497	2 718 124	29 361 383
Gas Management	-	-	-	-	-
Leachate Management	186 242	212 349	130 644	231 687	1 528 712
Fencing	655 283	637 356	432 996	809 449	10 757
Other:					
Environmental Authorisation (Closure Licence)	-	467 233	-	467 233	467 233
Technical ROD	96 443	96 443	96 443	96 443	96 443
Install Groundwater Monitoring Boreholes	139 397	188 199	184 324	184 324	-
Landscape Architects	116 042	116 042	114 135	114 135	203 998
Water use licence	20 000	20 000	20 000	20 000	20 000
Topographical survey	6 413	6 413	6 413	6 413	9 764
Contingencies	312 894	370 347	174 601	525 708	3 965 282
Engineering: Professional Fees	258 138	305 537	144 046	433 709	3 271 357
Site Supervision (Engineering Representative)	448 093	448 093	407 615	498 196	1 693 438
Site Supervision (Environmental Control Officer)	139 496	139 496	117 095	143 116	486 245
Total(Exl VAT)	<u>4 665 861</u>	<u>5 861 277</u>	<u>3 010 687</u>	<u>7 746 355</u>	<u>49 866 577</u>
Cost per rehab (m2)	893	859	1 336	787	454
Estimated construction period (weeks)	10	10	9	11	38

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost and date of decommission of the sites are as follows:

Location	Estimated decommission date		
De Rust (Closed)	2014	4 875 825	4 656 518
De Rust(Operational)	2039	13 527 011	6 323 447
Dysselsdorp(Closed)	2013	3 146 168	2 989 576
Dysselsdorp(Operational)	2034	14 345 823	7 182 669
Oudtshoorn	2050	186 766 194	231 754 974
		222 661 021	252 907 185

13. NON-CURRENT EMPLOYEE BENEFITS		
Provision for Post Retirement Health Care Benefits	89 163 001	95 541 413
Provision for Long Service Awards	10 343 000	9 807 389
Total Non-current Employee Benefits	99 506 001	105 348 802
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	100 190 961	112 470 983
Contribution for the year	3 792 906	5 475 886
Interest Cost	9 125 955	10 562 675
Expenditure for the year	(4 857 275)	(4 445 027)
Actuarial Loss/(Gain)	(14 049 546)	(23 873 556)
Total provision 30 June	94 203 001	100 190 961
Less: Transfer of Current Portion to Current Provisions - Note 16	(5 040 000)	(4 649 548)
Balance 30 June	89 163 001	95 541 413

ODTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
<u>Long Service Awards</u>		
Balance 1 July	10 979 772	8 614 284
Contribution for the year	1 002 854	700 286
Interest Cost	855 304	671 250
Expenditure for the year	(1 311 961)	(1 563 883)
Actuarial Loss/(Gain)	86 031	2 557 835
Total provision 30 June	11 612 000	10 979 772
<u>Less:</u> Transfer of Current Portion to Current Provisions - Note 16	(1 269 000)	(1 172 383)
Balance 30 June	10 343 000	9 807 389

13.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	330	318
In-service (employee) non-members	395	400
Continuation members (e.g. Retirees, widows, orphans)	96	98
Total Members	821	816

The liability in respect of past service has been estimated to be as follows:

In-service members	31 168 000	33 919 383
In-service non-members	4 798 000	5 085 884
Continuation members	58 237 000	61 185 693
Total Liability	94 203 000	100 190 960

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 R'000	2017 R'000	2016 R'000
In-service members	45 926	46 421	47 218
In-service non-members	12 625	11 261	11 964
Continuation members	53 920	50 504	49 484
Total Liability	112 471	108 186	108 666

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health;
Hosmed;
Samwumed; and
Keyhealth.

The Current-service Cost for the ensuing year is estimated to be R3 041 000, whereas the Interest Cost for the next year is estimated to be R9 349 000.

Key actuarial assumptions used:

	%	%
i) Rate of interest		
Discount rate	10.19%	9.32%
Health Care Cost Inflation Rate	6.28%	6.78%
Net Effective Discount Rate	3.68%	2.38%
ii) Mortality rates		
The PA 90 ultimate table -1 with a 1%		
iii) Normal retirement age		
The normal retirement age for employees of the municipality is 62 years.		
iv) Expected rate of salary increases		
2019/20 - Average CPI + 1 per cent		
The three-year Salary and Wage Collective Agreement ends on 30 June 2021.		

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	94 203 001	100 190 961
Fair value of plan assets	-	-
	94 203 001	100 190 961
Unrecognised past service cost		
Unrecognised actuarial gains/(losses)		
Present Value of unfunded obligations		
Net liability/(asset)	94 203 001	100 190 961

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	100 190 961	112 470 983
Total expenses	8 061 586	11 593 534
Current service cost	3 792 906	5 475 886
Interest Cost	9 125 955	10 562 675
Benefits Paid	(4 857 275)	(4 445 027)
Actuarial (gains)/losses	(14 049 546)	(23 873 556)
Present value of fund obligation at the end of the year	94 203 001	100 190 961

Sensitivity Analysis on the Accrued Liability on 30 June 2020

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	35.97	58.24	94.20

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	43.193	63.934	107.127	14%
Health care inflation	-1%	30.214	53.310	83.524	-11%
Discount rate	1%	30.442	53.513	83.955	-11%
Discount rate	-1%	42.978	63.770	106.748	13%
Post-retirement mortality	1 year	35.047	56.394	91.441	-3%
Post-retirement mortality	-1 year	36.875	60.081	96.956	3%
Average retirement age	-1 year	39.528	58.237	97.765	4%
Continuation of membership at retirement	-10%	28.907	58.237	87.144	-7%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	3 041 000	9 349 000	12 390 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	3 714 000	10 664 000	14 378 000	16.00%
Health care inflation	-1%	2 507 000	8 262 000	10 769 000	-13.00%
Discount rate	1%	2 551 000	9 120 000	11 671 000	-6.00%
Discount rate	-1%	3 661 000	9 584 000	13 245 000	7.00%
Post-retirement mortality	1 year	2 962 000	9 067 000	12 029 000	-3.00%
Post-retirement mortality	-1 year	3 116 000	9 629 000	12 745 000	3.00%
Average retirement age	-1 year	3 067 000	9 712 000	12 779 000	3.00%
Continuation of membership at retirement	-10%	2 373 000	8 629 000	11 002 000	-11.00%

	2020 Rm	2019 Rm
History of experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	4.032	3.730

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 Rm	2017 Rm	2016 Rm
Liabilities: (Gain) / loss	1 306	2 013	3 390
Assets: Gain / (loss)			

13.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 725 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R980 000 whereas the Interest Cost for the next year is estimated to be R823 000.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Key actuarial assumptions used:	2020 %	2019 %
i) Rate of interest		
Discount rate	7.49%	8.22%
General Salary Inflation (long-term)	4.04%	5.59%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.32%	2.49%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	11 612 000	10 979 772
Fair value of plan assets	-	-
	<u>11 612 000</u>	<u>10 979 772</u>
Unrecognised past service cost		
Unrecognised actuarial gains/(losses)		
Present value of unfunded obligations		
Net liability/(asset)	<u>11 612 000</u>	<u>10 979 772</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	10 979 772	8 614 284
Total expenses	546 197	(192 347)
Current service cost	1 002 854	700 286
Interest Cost	855 304	671 250
Benefits Paid	(1 311 961)	(1 563 883)
Actuarial (gains)/losses	86 031	2 557 835
Present value of fund obligation at the end of the year	<u>11 612 000</u>	<u>10 979 772</u>

Sensitivity analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		11 612 000	
General salary inflation	1%	12 392 000	7.00%
General salary inflation	-1%	10 905 000	-6.00%
Discount Rate	1	10 884 000	-6.00%
Discount Rate	-1	12 433 000	7.00%
Average retirement age	-2 yrs	13 327 000	15.00%
Average retirement age	2 yrs	10 229 000	-12.00%
Withdrawal rates	x2	9 363 000	-19.00%
Withdrawal rates	x0.5	13 185 000	14.00%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2021

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	980 000	823 000	1 803 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	1 071 000	881 000	1 952 000	8%
Health care inflation	-1%	901 000	770 000	1 671 000	-7%
Discount rate	1%	908 000	871 000	1 779 000	-1%
Discount rate	-1%	1 065 000	766 000	1 831 000	2%
Average retirement age	2 year	1 107 000	952 000	2 059 000	14%
Average retirement age	-2 year	877 000	721 000	1 598 000	-11%
Withdrawal Rate	x2	701 000	655 000	1 356 000	-25%
Withdrawal Rate	x0.5	1 194 000	941 000	2 135 000	18%

Experience adjustments were calculated as follows:

	2020	2019
Liabilities: (Gain) / loss	693 031	566 124
Assets: Gain / (loss)		

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2018 Rm	2017 Rm	2016 Rm
Liabilities: (Gain) / loss	499 606	(178 280)	(70 267)
Assets: Gain / (loss)			

OUDTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
13.3 Retirement funds		
<p>The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.</p> <p>As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and was not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.</p> <p>Therefore, although the Cape Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.</p> <p><u>CONSOLIDATED RETIREMENT FUND</u></p> <p>The contribution rate paid by the members (9,0%) and Council (18,0%). The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R25 389 736, with funding levels of 124.9% and 100.3% the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for 2019. The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.</p> <p><u>DEFINED CONTRIBUTION FUNDS</u></p> <p>Council does not contribute to Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds.</p>		
14. CONSUMER DEPOSITS	2020 R	2019 R
Electricity	4 288 307	4 087 900
Street Closure	-	-
Rental Properties	191 256	125 325
Water	5 052 919	4 768 456
Building Plans	1 141 879	981 888
Hiring of Decorative Items	4 430	-
Total Consumer Deposits	10 678 791	9 963 569
15. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	828 592	886 921
Staff Bonuses	6 572 014	6 106 817
Staff Leave	17 053 487	11 391 222
Correction of error note 38.2	-	3 000
Other	1 045	1 045
Current Portion of Non-Current Provisions	6 309 000	5 821 931
Current Portion of Post Retirement Benefits - Note 13	5 040 000	4 649 548
Current Portion of Long-Service Provisions - Note 13	1 269 000	1 172 383
Total Current Employee Benefits	30 764 138	24 210 936
The movement in current employee benefits are reconciled as follows:		
16.1 <u>Performance Bonuses</u>		
Balance at beginning of year	886 922	876 922
Contribution to current portion	770 263	896 922
Expenditure incurred	(828 592)	(886 921)
Balance at end of year	828 593	886 922
Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
16.2 <u>Staff Bonuses</u>		
Balance at beginning of year	6 106 817	5 090 813
Contribution to current portion	11 913 127	11 169 110
Expenditure incurred	(11 447 930)	(10 153 106)
Balance at end of year	6 572 014	6 106 817
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle.		
16.3 <u>Staff Leave</u>		
Balance at beginning of year	11 394 740	10 368 939
Contribution to current portion	6 479 986	1 965 527
Expenditure incurred	(820 721)	(939 725)
Balance at end of year	17 054 005	11 394 740
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or resign.		

OUDTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	60 729 747	45 186 734
Correction of Error note 38.2(b)	-	151 163
Correction of Error note 38.2(a)	-	268 968
Correction of Error note 38.2(c)	-	37 879
Correction of Error note 38.2(d)	-	33 836
Correction of Error note 38.2(e)	-	445 631
Sundry Deposits	8 730	8 730
Payments received in advance	4 856 733	5 707 483
Control, Clearing and Interface Accounts	1 068 415	1 155 032
Unallocated funds debtors	62 133	145 267
Retentions	2 753 091	3 065 386
Correction of Error note 38.2(h)	-	(11 826)
Pre-paid electricity	397 642	435 130
Total Trade Payables	69 876 490	56 629 414

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

18. UNSPENT TRANSFERS AND SUBSIDIES

Unspent Transfers and Subsidies	53 508 289	38 694 675
National Government Grants	37 339 099	26 156 409
Provincial Government Grants	16 169 190	12 538 266
Less: Unpaid Transfers and Subsidies	(2 000 000)	-
Provincial Government Grants	(2 000 000)	-
Total Unspent Transfers and Subsidies	51 508 289	38 694 675

See appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

19. TAXES

19.1 VAT Payable	(447 423)	(131 189)
VAT Output in Suspense	(12 375 991)	(10 815 593)
Total VAT Payable	(12 823 414)	(10 946 782)
19.2 VAT Receivable	-	-
VAT Input in Suspense	7 708 040	5 333 764
Total VAT Receivable	7 708 040	5 333 764
19.3 Net VAT (Payable)/Receivable	(5 115 373)	(5 613 018)

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

20. PROPERTY RATES

Actual

Rateable Land and Buildings	98 805 323	93 124 217
Business and Commercial Property	20 876 631	20 554 886
Farm Holdings	3 962 227	3 746 301
Mining Properties	79 356	-
Public Benefit Organisations	228 477	214 248
Public Service Infrastructure Properties	17 819	15 936
Residential Properties	62 585 092	58 031 341
State-owned Properties	11 055 721	10 561 506
Less: Revenue Forgone	(5 896 155)	(4 951 456)
Total Property Rates	92 909 167	88 172 762

OUDTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
<u>Valuations - 1 July 2019</u>		
Rateable Land and Buildings	10 382 798 100	10 337 592 500
Business and Commercial Property	1 331 951 000	1 423 925 000
Churches	231 205 000	230 930 000
Pensioners	161 976 000	113 522 500
Municipal Properties	383 882 000	403 934 000
Public Benefit Organisations	80 280 000	79 010 000
Public Service Infrastructure Properties	9 924 500	9 986 500
Residential Properties	5 458 382 600	5 355 142 500
State-owned Properties	723 116 000	726 196 000
Agricultural Property	1 997 011 000	1 994 946 000
Mining Properties	5 070 000	
Less: Rebates	(225 306 150)	(218 754 000)
Total Assessment Rates	10 157 491 950	10 118 838 500

Rates are levied annually and monthly. Monthly rates are payable by the 10th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate on outstanding monthly rates.

Basic Rate

Residential	1.138c/R	1.075c/R
Government	1.529c/R	1.445c/R
Commercial	1.565c/R	1.701c/R
Agricultural	0.199c/R	0.188c/R

Rates are levied annually and monthly. Monthly rates are payable by the 10th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R15 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

21. GOVERNMENT GRANTS AND SUBSIDIES

<u>Unconditional</u>	73 525 000	67 861 000
Equitable Share	73 525 000	67 861 000
Government Grants and Subsidies	84 368 757	103 761 958
Local Government Financial Management Grant (FMG)	2 085 000	1 620 000
Integrated National Electrification Programm	6 000 000	5 556 040
Municipal Infrastructure Grant	17 202 952	21 382 000
Extended Public Works Program	2 728 000	2 821 998
CDW operational support grant	158 825	-
Library Services	6 668 765	5 716 320
Integrating Housing Settlement Grant	9 569 429	45 526 941
Emergency Housing Program	2 000 000	1 406 000
Finance Management Support Grant	1 815 500	1 760 000
Maintenance Main Road Subsidy	-	106 510
Municipal Service Delivery and Capacity Building grant	-	400 000
Local Government Graduate Internship Grant	56 383	69 039
Local Government Support Grant	550 000	
Fire Service Capacity Building Grant	652 423	-
National Disaster Fund	52 900	
Airport Infrastructure Grant	561 770	
Water Services Infrastructure Grant	34 266 810	15 339 961
Municipal Electrical Master Plan Grant	-	617 000
Cango Caves Infrastructure Grant	-	1 440 150
Total Government Grants and Subsidies	157 893 757	171 622 958

<u>Unconditional</u>		
Government Grants and Subsidies - Operating	94 712 069	130 693 218
Government Grants and Subsidies - Capital	63 181 689	40 929 740
Total Government Grants and Subsidies	157 893 757	171 622 958

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable Share	73 525 000	67 861 000
Municipal Manager	-	1 440 150
Corporate Services	558 708	349 039
Financial Services	3 557 000	3 100 000
Community and Public Safety	7 374 088	5 716 320
Technical Services	60 197 763	46 223 508
Human Settlement	11 569 429	46 932 941
Strategic Services	1 111 770	-
Total Government Grants and Subsidies	84 368 757	103 761 958

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

OUDTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
21.1 <u>Equitable Share</u>		
Grants received	73 525 000	67 861 000
Conditions met - Operating	(73 525 000)	(67 861 000)
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
21.2 <u>Local Government Financial Management Grant (FMG)</u>		
Grants received	2 085 000	1 620 000
Conditions met - Operating	(2 085 000)	(1 620 000)
Conditions still to be met	(0)	-
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
21.3 <u>Water services Infrastructure Grant</u>		
Opening balance	24 498 463	17 836
Grants received	39 500 000	40 000 000
Repaid to National Revenue Fund	-	(179 413)
Conditions met - Capital	(32 973 498)	(15 339 961)
Conditions still to be met	31 024 965	24 498 463
The Water Services Infrastructure Grant is mainly for the refurbishment and replacement of water infrastructure within the Dysselsdorp and De Rust area and for the new Blossoms Pipe line.		
21.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	-	-
Grants received	21 747 000	21 382 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 409 975)	(1 170 610)
Conditions met - Capital	(15 792 977)	(20 211 390)
Conditions still to be met	4 544 048	-
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.5 <u>Integrated National Electrification Grant</u>		
Opening balance	43 960	-
Grants received	6 000 000	5 600 000
Repaid to National Revenue Fund	(43 960)	-
Conditions met - Operating	-	(1 883 419)
Conditions met - Capital	(6 000 000)	(3 672 621)
Conditions still to be met	0	43 960
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
21.6 <u>Extended Public Works Program</u>		
Opening balance	-	-
Grants received	2 728 000	2 822 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(2 728 000)	(2 822 000)
Conditions still to be met	-	-
Job creation projects in previous disadvantage areas.		
21.7 <u>Finance Management Support Grant</u>		
Opening balance	-	-
Grants received	1 472 000	1 480 000
Conditions met - Operating	(975 094)	(1 480 000)
Conditions met - Capital	(496 906)	-
Conditions still to be met	-	-
The Financial Management Support Grant was received from Provincial Treasury to assist the finance department with the revenue enhancement strategy, asset management functions and mSCOA Implementation.		
21.8 <u>Integrating Human Settlement Grant</u>		
Opening balance	9 883 116	4 870 256
Grants received	6 311 946	50 538 845
Conditions met - Operating	(4 569 429)	(45 526 941)
Correction of error note 38.2	-	956
Conditions met - Capital	(5 000 000)	-
Conditions still to be met	6 625 633	9 883 116
The Integrated Human Settlement Grant was received from the Provincial Government and is utilised for the building of low cost housing.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
21.9 Library Services		
Opening balance	1 941 680	-
Grants received	12 871 000	7 658 000
Conditions met - Operating	(6 257 963)	(5 450 701)
Conditions met - Capital	(410 802)	(265 619)
Conditions still to be met	8 143 915	1 941 680
Library conditional grant utilised for operating expenditure of the Library, and the Rosevalley Library Subsidy for the building of a new library within the low cost housing project Rosevalley		
21.10 Municipal Service Delivery and Capacity Building grant		
Opening balance	500 000	-
Grants received	120 000	900 000
Repaid to National Revenue Fund	(500 000)	
Conditions met - Operating	-	(400 000)
Conditions still to be met	120 000	500 000
This grant was received for the Operational Expenditure of the Thusong Centre		
21.11 Regional Bulk Infrastructure Grant - Department of Water Affairs and Forestry Grant		
Opening balance	1 613 986	1 613 986
Conditions still to be met	1 613 986	1 613 986
The grant was given to assist with the water shortage in the area.		
21.12 Local Government Support Grant		
Opening balance	-	-
Grants received	550 000	-
Conditions met - Operating	(550 000)	-
Conditions still to be met	-	-
This grant was received for Covid 19 Relief and was utilised for the distribution of food parcels		
21.13 Disaster Relief Grant		
Opening balance	-	-
Grants received	209 000	-
Conditions met - Operating	(52 900)	-
Conditions still to be met	156 100	-
This grant was received for Covid 19 Relief and was utilised for the purchase of PPE		
21.12 Other Grants		
Opening balance	213 470	3 031 562
Grants received	4 132 385	1 155 510
Repaid to National Revenue Fund	-	(54 904)
Conditions met - Operating	(2 558 708)	(2 478 549)
Conditions met - Capital	(2 507 505)	(1 440 150)
Conditions still to be met	(720 358)	213 470
21.13 Total Grants		
Opening balance	38 694 674	9 533 641
Correction of Error note 38.2	-	956
Grants received	171 251 331	201 017 355
Repaid to National Revenue Fund	(543 960)	(234 317)
Conditions met - Operating	(94 712 069)	(130 693 220)
Conditions met - Capital	(63 181 689)	(40 929 741)
Conditions still to be met/(Grant expenditure to be recovered)	51 508 288	38 694 674
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	53 508 289	38 694 675
Unpaid Conditional Government Grants and Receipts	(2 000 000)	-
Total	51 508 289	38 694 675

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
22. SERVICE CHARGES		
Electricity	228 561 937	222 815 752
Service Charges	236 681 598	229 901 515
<u>Less:</u> Revenue Foregone	(8 119 661)	(7 085 764)
Water	53 244 902	57 094 044
Service Charges	67 098 326	68 870 315
<u>Less:</u> Revenue Foregone	(13 853 423)	(11 776 271)
Water Klein Karoo Rural Scheme	5 449 861	4 648 784
Service Charges	5 449 861	4 648 784
<u>Less:</u> Revenue Foregone	-	-
Waste Management	18 771 793	17 504 411
Service Charges	29 609 818	26 289 281
<u>Less:</u> Revenue Foregone	(10 838 025)	(8 784 870)
Waste Water Management	34 068 829	32 867 695
Service Charges	44 130 364	41 310 757
<u>Less:</u> Revenue Foregone	(10 061 535)	(8 443 062)
Total Service Charges	340 097 322	334 930 685
Revenue Foregone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
23. SALES OF GOODS AND RENDERING OF SERVICES		
Academic Services	278	1 105
Advertisements	335 276	382 261
Application Fees for Land Usage	105 928	94 338
Building Plan Approval	493 504	512 400
Camping Fees	184 884	211 368
Cemetery and Burial	874 404	858 051
Computer Services	90 607	92 500
Encroachment Fees	81 091	115 369
Legal Fees Recovered	1 656 591	1 717 818
Library Fees	596	1 447
Parking Fees	435	277 274
Photocopies and Faxes	11 233	15 073
Sale of Goods	41 659	107 969
Valuation Services	230 054	215 467
Total Sales of Goods and Rendering of Services	4 106 539	4 602 441
24. RENTAL FROM FIXED ASSETS		
Property, Plant and Equipment	2 715 779	3 418 494
Total Rental from Fixed Assets	2 715 779	3 418 494
25. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	1 695 647	1 426 580
Investments	9 303 086	7 536 129
Total Interest Earned - External Investments	10 998 733	8 962 709
26. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	3 687 499	5 098 131
Total Interest Earned - Outstanding Receivables	3 687 499	5 098 131
27. OPERATIONAL REVENUE		
Collection Charges	52 637	382 188
Incidental Cash Surpluses	131 906	147 647
Merchandising, Jobbing and Contracts	76 331	73 377
Registration Fees	305 840	292 136
Request for Information	236	4 589
Staff Recoveries	31 353	90 945
Total Operational Revenue	598 303	990 882

OUTDSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
28. EMPLOYEE RELATED COST		
Acting Allowance	1 238 235	1 116 108
Contributions to Group Insurance	2 921 978	2 667 030
Contributions to Workman's Compensation	1 407 948	1 240 699
Housing Benefits and Allowance	1 917 760	1 933 848
Leave payments	6 479 986	1 962 527
Standby Allowance	2 240 258	1 939 545
Shift Allowance	532 485	469 590
Basic Salaries and Wages	150 292 635	140 101 817
Pension and UIF Contributions	26 353 589	24 068 338
Medical Aid Contributions	10 958 156	9 954 773
Overtime	12 310 830	12 930 453
Bonuses	12 693 936	12 066 031
Motor Vehicle Allowance	4 632 594	4 489 253
Cellphone Allowance	1 246 265	988 254
Other benefits and allowances	137 930	146 460
Contribution to Long Service awards	1 858 158	1 371 536
Contribution to Post Employment Medical	12 918 861	16 038 561
Total Employee Related Costs	250 141 605	233 484 823

KEY MANAGEMENT PERSONNEL

Key Management personnel in Corporate Services and Community Services are permanently employed, but the Municipal Manager and Chief Financial Officer were appointed on a 5 year contract. The Acting Director Human Settlements is seconded from Provincial Government to Oudtshoorn Municipality through a memorandum of agreement. All permanent staff is entitled to post retirement benefits upon retirement.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - Mr Paulse

Basic Salary	949 481	897 979
Pension and UIF Contributions	163 352	151 006
Medical Aid Contributions	53 908	51 859
Performance Bonus	167 783	207 726
Motor Vehicle Allowance	241 693	241 693
Cell Phone Allowance	51 384	48 248
Payments in lieu of leave	-	19 944
Other benefits and allowances	220 334	166 330
	1 847 935	1 784 783

Remuneration of the Chief Financial Officer - Mr Lötter(service ended 31 October 2019)

Basic Salary	290 772	869 950
Pension and UIF Contributions	595	1 785
Medical Aid Contributions	10 903	35 076
Performance Bonus	174 553	169 799
Motor Vehicle Allowance	65 855	197 564
Cell Phone Allowance	17 128	48 248
Payments in lieu of leave	50 073	-
Other benefits and allowances	78 499	142 568
Total	688 378	1 464 989

Remuneration of the Acting Chief Financial Officer - LH Fourie(temp service started November 2019 - February 2020)

Basic Salary	340 039	-
Pension and UIF Contributions	539	-
Cell Phone Allowance	18 610	-
Other benefits and allowances	8 041	-
Total	367 228	-

Remuneration of the Chief Financial Officer - GP De Jager(service started 1 March 2020)

Basic Salary	245 776	-
Pension and UIF Contributions	45 168	-
Housing allowance	39 472	-
Motor Vehicle Allowance	36 000	-
Cell Phone Allowance	17 128	-
Other benefits and allowances	13 240	-
Total	396 784	-

Remuneration of Director : Corporate Services - Mr Smit

Basic Salary	958 612	935 195
Acting Allowance	135 485	10 652
Pension and UIF Contributions	178 952	169 180
Performance Bonus	174 553	169 799
Cell Phone Allowance	51 384	48 248
Payments in lieu of leave	37 221	22 333
Other benefits and allowances	200 496	143 852
Total	1 736 702	1 499 258

OUDTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Remuneration of Director : Director Infrastructure and Technical Services - Mr Koch (service ended 31 October 2019)		
Basic Salary	377 821	1 102 590
Pension and UIF Contributions	595	1 785
Performance Bonus	137 149	169 799
Cell Phone Allowance	17 128	48 248
Payments in lieu of leave	50 073	-
Other benefits and allowances	85 777	147 529
Total	668 542	1 469 950

Remuneration of Director : Community Services - Mr T Matthee

Basic Salary	840 916	798 864
Acting Allowance	2 966	-
Pension and UIF Contributions	141 099	133 682
Medical Aid Contributions	53 908	51 859
Performance Bonus	174 553	169 799
Motor Vehicle Allowance	100 000	120 000
Cell Phone Allowance	51 384	48 248
Other benefits and allowances	184 404	139 654
Payments in lieu of leave	29 220	29 342
Total	1 578 450	1 491 447

Remuneration of Acting Director: Human Settlement - Ms S Simms

Basic Salary	1 095 000	1 095 000
Pension and UIF Contributions	1 785	1 785
Cell Phone Allowance	9 000	9 000
Housing Allowances	96 000	96 000
Other benefits and allowances	18 957	-
Total	1 220 742	1 201 785

Ms S Simms is seconded from Provincial Government to be acting Director: Human Settlement. Provincial Government compensates the municipality for her remuneration through a memorandum of agreement annually.

29. REMUNERATION OF COUNCILLORS

Salaries	7 035 503	6 866 890
Pension	698 425	714 932
Travelling Allowance	2 201 481	2 206 658
Telephone Allowance	1 048 505	910 200
Medical Scheme	228 977	187 922
Total Councillors' Remuneration	11 212 892	10 886 603

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	492 313	203 856	42 057	125 901	864 126
Executive Deputy-Mayor	477 777	172 172	44 400	38 739	733 088
Speaker	382 506	172 172	44 400	134 010	733 088
Executive Committee Members	2 459 182	469 462	199 810	299 586	3 428 040
Councillors	3 223 725	1 183 819	717 838	329 167	5 454 549
Total Councillors' Remuneration	7 035 503	2 201 481	1 048 505	927 402	11 212 892

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in

30. CONTRACTED SERVICES

Outsourced Services	13 131 695	14 080 182
Consultants and Professional Services	8 227 682	5 559 916
Contractors	1 702 488	4 405 369
Correction of error note 38.2(b)	-	268 968
Total Contracted Services	23 061 865	24 314 435

31. DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	38 730 676	40 377 444
Intangible Assets	397 068	332 231
Investment Property carried at cost	118 702	118 700
Total Depreciation and Amortisation	39 246 447	40 828 374

ODUTSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
32. INTEREST, DIVIDENDS AND RENT ON LAND		
Long-term Borrowings	4 222 364	5 393 881
Non-current Provisions	1 289 704	756 090
Payables	-	1 111 869
Finance leases	464 715	758 865
Total Finance Costs	5 976 783	8 020 704
33. BULK PURCHASES		
Electricity	169 110 184	153 126 313
Water	-	59 542
Total Bulk Purchases	169 110 184	153 185 855
34. TRANSFERS AND SUBSIDIES		
Operational	4 717 217	3 788 163
Monetary Allocations	4 717 217	3 788 163
Bursaries Non Employee	160 312	211 468
Households	1 344 283	617 084
Non-profit Institutions	1 123 583	1 554 328
Provincial Government	2 089 040	1 405 284
Total Transfers and Subsidies	4 717 217	3 788 163
35. OPERATIONAL COST		
Advertising, Publicity and Marketing	2 168 262	2 519 608
Assets less than the Capitalisation Threshold	121 800	57 224
Bank Charges, Facility and Card Fees	2 139 563	2 601 528
Bursaries (Employees)	231 836	345 162
Cleaning Services	66 563	80 396
Commission	2 070 211	2 533 566
Courier and Delivery Services	16 939	30 252
Communication	2 405 685	2 775 439
Deeds	16 221	-
Entrance Fees	77 217	66 150
Entertainment	35 485	81 975
External Audit Fees	5 576 362	6 062 288
External Computer Service	1 412 539	3 690 495
Full Time Union Representative	55 698	186 756
Hire Charges	3 424 493	2 814 408
Housing Top Structures	3 299 429	44 326 941
Indigent Relief	487 230	393 400
Insurance Underwriting	2 098 860	1 701 234
Land Alienation Costs	14 417	-
Learnerships and Internships	771 425	500 410
Levies Paid - Water Resource Management Charges	341 237	538 090
Licences	266 114	461 200
Membership fees SALGA	2 673 926	2 493 763
Municipal Services	-	(48)
Printing, Publications and Books	1 730 138	813 409
Professional Bodies, Membership and Subscription	61 907	23 610
Registration Fees	566 609	860 357
Remuneration to Section 79 Committee Members	4 317	78 764
Remuneration to Ward Committees	155 750	236 600
Resettlement Cost	42 650	562 661
Samples and Specimens	290 191	209 698
Servitudes and Land Surveys	-	5 200
Skills Development Fund Levy	1 664 716	2 024 010
Travel Agencies and Visas	4 015	(1 067)
Travel and Subsistence	2 483 663	3 190 477
Uniform and Protective Clothing	828 797	903 533
Vehicle Tracking	315 380	371 716
Wet Fuel	5 044 159	6 439 733
Correction of error note 38.2(a)	-	151 163
Correction of error note 38.2(a)	-	165 574
Total Operational Costs	42 963 804	90 295 672
36. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions and Non-Exchange	(13 080 695)	4 393 105
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(13 080 695)	4 393 105
37. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(2 447 718)	(961 254)
Total Gains/ (Loss) on Sale of Fixed Assets	(2 447 718)	(961 254)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

38. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

38.1 Cash flow Statement 2019

The municipality revisited the calculations used to compile the 2019 Cash Flow Statement and identified several incorrect classifications regarding Cashflows from Operating Activities and Cashflows from Financing Activities.

The municipality deemed it necessary to correct these incorrect classifications retrospectively in accordance with GRAP 3.44.

The financial effect of the reclassifications are summarised as follows:

	Correction	Restated Amounts	Previously Reported
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Ratepayers and other	2 412 050	439 766 763	437 354 713
Government Grants and Subsidies	-	200 783 038	200 783 038
Interest	(6 805 155)	8 962 709	15 767 864
Cash payments			
Suppliers and Employees	3 637 015	(518 796 042)	(522 433 056)
Finance Charges	756 090	(7 264 614)	(8 020 704)
Transfers and Grants	-	(3 788 163)	(3 788 163)
Net Cash from Operating Activities	(1)	119 663 691	119 663 692

The nature of the restatements is summarised as follows:

(i) Ratepayers and other			
Previously reported	-	437 354 713	
Interest Received on Exchange and non Exchange incorrectly included in interest		6 805 155	
Reversal of impairment loss incorrectly adjusted under Suppliers and Employees	-	(4 393 105)	
Restated amount	-	439 766 763	
(ii) Suppliers and Employees			
Previously reported	-	(522 433 056)	
Remove non-cash items from cash flow calculation (Unwinding of interest on provisions)	-	(756 090)	
Reversal of impairment loss incorrectly adjusted under Suppliers and Employees	-	4 393 105	
Restated amount	-	(518 796 041)	
(iii) Finance Charges			
Previously reported	-	(8 020 704)	
Remove non-cash items from cash flow calculation (Unwinding of interest on provisions)	-	756 090	
Restated amount	-	(7 264 614)	

		2019	2018
38.2			
(a)	Correction of Trade Payables from Exchange Transactions. Invoices for 2018/19 was only paid in 2019/20. This is now corrected with the following entries, Dt Accumulated Surplus 2018/19 R151 163, (Ct) Trade Payables From Exchange Transactions R151 163		
(b)	Correction of Trade Payables from Exchange Transactions. Invoices for 2018/19 was only paid in 2019/20. This is now corrected with the following entries, Dt Accumulated Surplus 2018/19 R268 968.27, (Ct) Trade Payables from Exchange Transactions(Contracted Services) R268 968.27		
(c)	Correction of Trade Payables from Exchange Transactions. Invoices for 2018/19 was only paid in 2019/20. This is now corrected with the following entries, Dt Accumulated Surplus 2018/19 R37 878 .72, (Ct) Trade Payables from Exchange Transactions (Inventory Consumed) R37 878 .72		
(d)	Correction of Trade Payables from Exchange Transactions. Invoices for 2018/19 only paid in 2019/20. This is now corrected with the following entries, Dt Accumulated Surplus 2018/19 R33 836.07, (Ct) Trade Payables from Exchange(Operating Leases) R33 836.07		
(e)	Correction of Trade Payables from Exchange Transactions Opening Balance. Invoices relating to prior year only paid in 2019/20. This is now corrected with the following entries, Dt Accumulated Surplus Opening balance R445 631.38, (Ct) Trade Payables from Exchange Transactions Opening balance R445 631. 38		
(f)	Correction of Receivables from Exchange Transactions 2018/19, service accounts corrections relating to 2018/19 only levied in 2019/20. This is now corrected with the following entries, Dt Receivables from Exchange Transactions R63 524.85, (Ct) Accumulated Surplus 2018/19 R63 524.85		
(g)	Correction of Receivables from Exchange Transactions Opening balance, sundry accounts corrections relating to prior year only levied in 2019/20. This is now corrected with the following entries, Dt Receivables from Exchange Transactions R282 291.10, (Ct) Accumulated Surplus 2018/19 R282 291.10		
(h)	Correction of Community Assets at Cost, retention 208/19 on Paving of Swimming Pools overstated. This is now corrected with the following entries, Dt Trade Payables from Exchange Transactions (Retention) R11 826.49, (Ct) Community Assets at Cost R11 826.49		
(i)	Correction of Unspent Conditional Grants - Human Settlement Development Grant, Ms Simms salary was overspent and should be corrected to agree with the amount transferred. This is now corrected with the following entries Dt Accumulated Surplus 2018.19 R955.27, (Ct) Unspent Grants - Human Settlement Grant R955.27		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- (j) Correction of Receivables from Exchange Debtors (Suspense Debtors Insurance) Opening balance and 2018/19 balance. Claims shortages should have been processed against the expenditure account, not through the suspense accounts, all claims settled. This is now corrected with the following entries Dt Accumulated Surplus Opening Balance R106 026.90, (Ct) Receivables from Exchange Transactions Opening balance R106 026.90. Dt Accumulated Surplus 2018/19 R165 573.96 and (Ct) Receivables from Exchange Transactions(Suspense Debtors) R165 573.96
- (k) Correction of Intangible Assets Accumulated Amortisation Opening balance and Accumulated Amortisation 2018/19, review of useful lives not performed that lead to assets with zero carrying values. This is now corrected retrospectively with the following entries, Dt Accumulated Amortisation R257 277.14, (Ct) Accumulated surplus Opening balance R257 277.14. Dt Accumulated Surplus 2018/19 R51 455.23, (Ct) Intangible Assets Accumulated Amortisation 2018/19 R51 455.23
- (l) Correction of Buildings at Cost Opening balance, payment towards Congo Caves Upgrading of Toilet Facilities made in 2017/18 was incorrectly allocated. This is now corrected with the following entries Dt Buildings at Cost Opening balance R19 585.50, (Ct) Accumulated Surplus Opening balance R19 585.50
- (m) First Time Recognition of Land at Cost under the control of municipality and marked for Social Housing schemes, previously the property was controlled by the school adjacent to the erf. This is now corrected with the following entries, Dt Land at Cost Opening balance R1 350 000, (Ct) Accumulated Surplus Opening balance R 1 350 000
- (n) First Time Recognition of Community asset under control of municipality, social development crèches is function of municipality. This is now corrected with the following entries Dt Community Assets at Cost R680 000, (Ct) Accumulated Surplus Opening balance R680 000. Dt Accumulated surplus Opening balance R35 376, (Ct) Accumulated Depreciation Community Assets Opening balance R35 376. Dt Accumulate surplus 2018/19 R5 900, (Ct) Accumulated Depreciation Community Assets 2018/29 R5 900
- (o) Correction of Accumulated Impairment Opening balance on Community Assets as per COMAF 34, the entire population was reviewed to correct retrospectively. This is now corrected with the Dt Accumulated Impairment Community Assets Opening balance R1 794 882, (Ct) Accumulated Surplus Opening balance R1 794 882
- (p) Retrospective correction of Accumulated Depreciation on Community, Buildings and Investment Property after complete population was reviewed - refer to COMAF 34 of 2019. This is now corrected with the following entries. Dt Accumulated Depreciation Community Assets Opening balance R3 285 896 and (Ct) Accumulated Surplus Opening balance R3 285 896, (Ct) Accumulated Depreciation Community Assets 2018/19 R50 335 and Dt Accumulated Surplus 2018/19 R50 335. Dt Accumulated Depreciation Buildings Opening balance R4 025 and (Ct) Accumulated Surplus Opening balance R4 025. Dt Accumulated Depreciation Buildings 2018/19 R2 953 and (Ct) Accumulated Surplus Opening balance R2 953. Dt Accumulated Depreciation Investment Property Opening balance R111 and (Ct) Accumulated Surplus Opening balance R111. (Ct) Accumulated Depreciation Investment Property 2018/19 R3, and Dt Accumulated Surplus 2018/19 R3.
- (q) First Time Recognition of Movable Assets identified during the 2019/20 asset verification. This is now corrected with the following entries, Dt Other Assets at Cost R364 111 and (Ct) Accumulated Surplus Opening balance R364 111. Dt Accumulated Surplus Opening balance R241 010 and (Ct) Accumulated Depreciation Other Assets Opening balance R241 010. Dt Accumulated Surplus 2018/19 R21 966 and (Ct) Accumulated Depreciation Other Assets 2018/19 R21 966.
- (r) Correction of Current Employee Benefits Opening balance. Staff Leave provision calculation was investigated and difference noted on the general ledger. This is not retrospectively corrected with the following entries Dt Accumulated Surplus Opening balance R3000, (Ct) Current Employee Benefits Opening balance R3000

38.3	Accumulated Surplus/(Deficit)	2019	2018
	Balance previously reported	718 015 820	664 883 241
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(a)	(151 163)	
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(b)	(268 968)	
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(c)	(37 879)	
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(d)	(33 836)	
	Correction of Trade Payables from Exchange Transactions Opening balance note 38.2(e)	(445 631)	(445 631)
	Correction of Receivables from Exchange Transactions 2018/19 note 38.2(f)	63 525	
	Correction of Receivables from Exchange Transactions Opening balance note 38.2(g)	282 291	282 291
	Correction of Receivables from Exchange Transactions 2018/19 note 38.2(j)	(106 027)	(106 027)
	Correction of Unspent Conditional Grants 2018/19 note 38.2(i)	(956)	
	Correction of Receivables from Exchange Transactions Opening balance note 38.2(j)	(165 574)	
	Correction of Intangible Assets Accumulated Amortisation Opening balance note 38.2(k)	257 277	257 277
	Correction of Intangible Assets Accumulated Amortisation 2018/19 note 38.2(k)	(51 455)	
	Correction of Buildings at Cost Opening Balance note 38.2(l)	19 586	19 586
	Correction of Land at Cost Opening balance note 38.2(m)	1 350 000	1 350 000
	Correction of Community at Cost Opening balance note 38.2(n)	680 000	680 000
	Correction of Community Accumulated Depreciation Opening balance note 38.2(n)	(35 376)	(35 376)
	Correction of Community Accumulated Depreciation 2018/19 balance note 38.2(n)	(5 900)	
	Correction of Community Assets - Accumulated Impairment Opening Balance balance note 38.2(o)	1 794 882	1 794 882
	Correction of Community Accumulated Depreciation Opening balance note 38.2(p)	3 285 896	3 285 896
	Correction of Community Accumulated Depreciation 2018/19 note 38.2(p)	(50 335)	
	Correction of Buildings Accumulated Depreciation Opening Balance note 38.2(p)	4 025	4 025
	Correction of Buildings Accumulated Depreciation 2018/19 note 38.2(p)	2 953	
	Correction of Investment Property Accumulated Depreciation Opening Balance note 38.2(p)	111	111
	Correction of Investment Property Accumulated Depreciation 2018/19 note 38.2(p)	(3)	
	Correction of Other assets at Cost Opening balance note 38.2(q)	364 111	364 111
	Correction of Other Assets Accumulated Depreciation 2018/19 note 38.2(q)	(241 010)	(241 010)
	Correction of Other Assets Accumulated Depreciation Opening balance note 38.2(q)	(21 966)	
	Correction of Current Employee benefits Opening Balance note 38.2(r)	(3 000)	(3 000)
		724 501 399	672 090 376

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2019	2018
38.4	Property, Plant and Equipment		
	Balance previously reported	826 539 577	813 768 520
	Cost	2 401 870	2 413 697
	Correction of error note 38.2(h)	(11 826)	
	Correction of Buildings at Cost Opening Balance note 38.2(l)	19 586	19 586
	Correction of Land at Cost Opening balance note 38.2(m)	1 350 000	1 350 000
	Correction of Community at Cost Opening balance note 38.2(n)	680 000	680 000
	Correction of Other assets at Cost Opening balance note 38.2(q)	364 111	364 111
	Accumulated Depreciation	4 733 167	4 808 418
	Correction of Community Accumulated Depreciation Opening balance note 38.2(n)	(35 376)	(35 376)
	Correction of Community Accumulated Depreciation 2018/19 balance note 38.2(n)	(5 900)	
	Correction of Community Assets - Accumulated Impairment Opening Balance balance note 38.2(o)	1 794 882	1 794 882
	Correction of Community Accumulated Depreciation Opening balance note 38.2(p)	3 285 896	3 285 896
	Correction of Buildings Accumulated Depreciation Opening Balance note 38.2(p)	4 025	4 025
	Correction of Buildings Accumulated Depreciation 2018/19 note 38.2(p)	2 953	-
	Correction of Community Accumulated Depreciation 2018/19 note 38.2(p)	(50 335)	-
	Correction of Investment Property Accumulated Depreciation 2018/19 note 38.2(p)	(3)	
	Correction of Other Assets Accumulated Depreciation 2018/19 note 38.2(q)	(241 010)	(241 010)
	Correction of Other Assets Accumulated Depreciation Opening balance note 38.2(q)	(21 966)	-
	Restated Balance	833 674 615	820 990 634
38.5	Investment Property		
	Balance previously reported	14 870 991	14 989 690
	Correction of Investment Property Accumulated Depreciation Opening Balance note 38.2(p)	111	111
	Correction of Investment Property Accumulated Depreciation 2018/19 note 38.2(p)	(3)	
	Restated Balance	14 871 100	14 989 802
38.6	Intangible Assets		
	Balance previously reported		
	Cost	1 504 405	1 118 297
	Accumulated Amortisation	205 822	257 277
	Correction of Intangible Assets Accumulated Amortisation Opening balance note 38.2(k)	257 277	257 277
	Correction of Intangible Assets Accumulated Amortisation 2018/19 note 38.2(k)	(51 455)	
	Restated Balance	1 710 227	1 375 574
38.7	Current Employee Benefits		
	Balance previously reported	24 207 936	22 054 918
	Correction of Current Employee benefits Opening Balance note 38.2(r)	3 000	3 000
	Restated Balance	24 210 936	22 057 918
38.8	Trade and Other Payables from Exchange Transactions		
	Balance previously reported	55 703 764	51 671 342
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(a)	151 163	-
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(b)	268 968	-
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(c)	37 879	-
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(d)	33 836	-
	Correction of Trade Payables from Exchange Transactions Opening balance note 38.2(e)	445 631	445 631
	Correction of Trade Payables from Exchange Transactions 2018/19 note 38.2(h)	(11 826)	-
	Restated Balance	56 629 414	52 116 973
38.9	Receivables from Exchange Transactions		
	Balance previously reported	41 753 497	40 678 486
	Correction of Receivables from Exchange Transactions 2018/19 note 38.2(f)	63 525	-
	Correction of Receivables from Exchange Transactions Opening balance note 38.2(g)	282 291	282 291
	Correction of Receivables from Exchange Transactions 2018/19 note 38.2(j)	(106 027)	(106 027)
	Correction of Receivables from Exchange Transactions Opening balance note 38.2(j)	(165 574)	-
	Restated Balance	41 827 712	40 854 750
38.10	Unspent Conditional Grants		
	Balance previously reported	38 693 720	9 533 642
	Correction of Unspent Conditional Grants 2018/19 note 38.2(i)	956	
	Restated Balance	38 694 675	9 533 642

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
39. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	44 254 973	52 411 023
<u>Adjustments for:</u>		
Depreciation and Amortisation	39 246 447	40 828 376
Loss/(Gain) on Sale of Fixed Assets	2 447 718	961 254
Impairment Loss/(Reversal of Impairment Loss)	9 758 851	-
Contributed Property, Plant and Equipment	(62 200)	(20 192)
Contribution to provisions – Non-Current Provisions	1 289 704	756 090
Contribution from/to provisions - Non-Current Employee Benefits	8 120 714	11 401 187
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	86 031	2 557 835
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(14 049 546)	(23 873 556)
Contribution from/to - Current Employee Benefits	6 553 202	2 051 805
Reversal of Impairment Loss/(Impairment Loss) on Receivables	13 080 695	(4 393 105)
Bad Debts written off	24 385 890	34 636 459
Unpaid Government Grant	(2 000 000)	-
Government Grants and Subsidies received	171 251 331	201 017 355
Government Grants and Subsidies recognised as revenue	(155 893 758)	-171 622 958
Government Grant and Subsidies non cash correction	-	956
Repaid to Revenue Fund	(543 960)	(234 317)
(Increase)/Decrease in Operating Lease Asset	(4 614)	2 450
Operating Surplus/(Deficit) before changes in working capital	147 921 476	146 480 661
Changes in working capital	(24 285 432)	(26 828 768)
Increase in Consumer Deposits	715 222	759 840
Increase/(Decrease) in Trade and Other Payables	13 247 076	4 512 469
Increase/(Decrease) in Taxes	(218 749)	(1 823 394)
(Increase)/Decrease in Inventory	100 276	(776 649)
(Increase)/Decrease in Receivables	(38 129 258)	(29 501 035)
Cash generated/(absorbed) by operations	123 636 044	119 651 893
40. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Primary Bank Account - Note 10	26 490 257	25 080 246
Call Deposits and Investments - Note 10	151 259 068	98 030 410
Cash Floats - Note 10	37 860	37 860
Investments - Note 10	-	-
Total cash and cash equivalents	177 787 185	123 148 517
41. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 10	177 787 185	123 148 517
<u>Less:</u>	(69 835 388)	(44 307 694)
Unspent Transfers and Subsidies - Note 18	(53 508 289)	(38 694 675)
Unspent Borrowings	(11 211 726)	
VAT - Note 19	(5 115 373)	(5 613 018)
Net cash resources available for internal distribution	107 951 796	78 840 823
Resources available for working capital requirements	107 951 796	78 840 823
42. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 11	51 734 549	47 698 001
Used to finance property, plant and equipment - at cost	(51 734 549)	(47 698 001)
	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
43. BUDGET INFORMATION		
43.1 Explanation of variances between approved and final budget amounts		
The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.		
Explanation of variances greater than 5%: Final Budget and Actual Amounts		
43.2 Statement of Financial Position		
43.2.1 Current Assets		
Cash		
Actual cash is R22 million less than budgeted because of the effect of COVID 19 and the recession influencing the economy and the ability for the consumers to repay their outstanding accounts.		
Call Investment Deposits		
Actual investments is R111 million more than budgeted because of the improved cash flow position subsequent to the revenue gains from the revenue enhancement strategy in the first 8 months of the year. Cash backed Unspent Grants to value of R53 million and Unspent Borrowing to value of R11 million is included in the balance. It was not anticipated as large capital projects could not be completed, for which a roll-over process will be initiated.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Consumer Debtors

Gross consumer debtors is R28 million less than budgeted mainly use to the increase in debt impairment provision that was calculated based on the payment ratio as at 30 June 2020. Covid 19 lockdown period and economic recession had a negative impact on the payment ratio.

Other Debtors

Other debtors is R6.9 million more than budgeted due to the Fines Debtors much higher than anticipated and Unpaid Conditional Grants not budgeted. Low payment percentage on fines, because no debt collection processes was followed during the Covid 19 Lock-down period

Operating Lease Asset

Operating lease assets are more than budgeted, due to a new long term lease recognized for the A-la Carte Restaurant at the Congo Caves that was newly awarded in August 2019

43.2.2 Non-Current Assets

Investment Property

Investment Property is R1.3 million less than budgeted due to capital projects planned on the Airport infrastructure that could not be finalised during the current year. Roll over process will be followed for completion of projects

Property Plant and Equipment

Property Plant and Equipment R67 million less than budgeted, mainly due to the capital projects delayed during COVID 19 lock-down period. Grant funded projects such as Blossoms pipe-line roll over are the major contributor to the underspending of R13 million, Rosevalley Library of R8 million and various MIG Projects of R4 million and Dysveldsdorp Bulk Infrastructure of R4million. The remainder of the underspending comprises of various smaller projects.

Intangible Assets

Intangible Assets is R172 675 less than budgeted, because of prior year correction on depreciation that was not anticipated and the subsequent current year depreciation was incorrectly forecasted.

43.2.3 Current Liabilities

Borrowing

Current Portion of Borrowing is R1,47 million less than budgeted, due to the new LT Loan that was only taken up on 30 June. No redemption payments as made during the year on the new loan

Unspent Transfers and Subsidies

Unspent conditional grants are R4.4 million more than budgeted, mainly because of the MIG Unspent projects that could not be completed as anticipated. Covid 19 Lock-down process caused delay in completion, for which a roll-over grant process will be followed.

Taxes

Taxes payable is R497 645 less than budgeted, the actual could not be accurately forecasted because it is dependable on payments and receipts as at 30 June. Estimations made based on prior year audited figures

Provisions

Current Provisions is R5 million more than budgeted due to the increase in not anticipated in the actuarial valuations and short term portions disclosed under current provisions

43.2.4 Non-Current Liabilities

Borrowing

LT Borrowing is R2.9 million more than budgeted, due to the new LT Loan that was only taken up on 30 June. No redemption payments as made during the year on the new loan.

Provisions

Non Current Provisions is R22 million less than budgeted, mainly due to the sharp decline in interest rate and increase in the bond rates utilised for the discounting of the Landfill Site provision. The Covid 19 pandemic and recession forced the decrease in interest rates to be implemented by national government

43.2.5 Net Assets

Accumulated Surplus/(Deficit)

Accumulated Surplus R10 million more than anticipated due to the sharper increased cash and cash equivalents, investments that was more than forecasted during budget process

Statement of Financial Performance

43.2.6 Revenue

Rental of Facilities and Equipment

Rental of Facilities was R468 385 million more than budgeted, due to the new long term lease that was awarded to the A-la Cart Restaurant at the Congo Caves that was not budgeted for

Interest on External Investments

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Interest earned is more than budgeted, because of the higher value of cash on investments as at 30 June 2020.

Fines

Budgeted Revenue for Fines is R5.8 million more than anticipated, the IGRAP1 calculation to account for 100% of the fines written-out was not taken into account when the budget was compiled, only the collectable revenue

Licences and Permits

Actual expenditure is R0 versus the budget, due to the Roadworthy Certificate incorrectly budgeted against this item. It is allocated correctly on the financial statements against other revenue

Agency Services

Agency fees earned is R855 610 million less than budgeted due to the COVID 19 lock-down exemption issued on the renewal of licences and the closure of the pay offices for the period April-June 2020.

Transfers Recognised - Operational

Revenue recognized for Operating Grants is R24 million less than anticipated due to the Human Settlement Development Grant payment function that was revoked by the Department of Human Settlement since November 2019. The funding budgeted was paid directly to the contractor and was not received by the municipality.

Other Revenue

Other revenue is R16 million more than budgeted, due to the actuarial gains calculated by the actuaries on an annual basis for the Post Employment Medical liability provision. This could not have been budgeted for, as it is based on assumptions reviewed every year.

Transfers Recognised - Capital

Revenue recognized for Capital conditional grants is R42.8 million less than budgeted, mainly due to the large WSIG project for Blossoms Pipeline that could not be completed as construction could not commence during the Covid 19 Lockdown period. The provincial capital grant for the building of the Rosevalley Library could not be spent, as the tender could not be awarded before lock-down. Roll Over grant processes will be followed for all grants.

Contributed Assets

Contributed assets budgeted is R62 200, as it was not anticipated that the Department of Sport and Culture would donate office and computer equipment to the Library services department.

43.2.7 Expenditure

Remuneration of Councillors

Remuneration of councillors is R683 845 million less than budgeted, due to the increase as proclaimed in the Government Gazette being less than anticipated. An increase of 7% was budgeted in line with the bargaining council agreement for other employees, but only 5% was approved for councillors

Debt Impairment

The Debt Impairment Provision is R4.7 million more than anticipated due to the larger contribution that needed to be made after the non payment percentage increased for debtors.

Depreciation and Asset Impairment

Depreciation is R1.9 million less than budgeted, mainly due to the large number of capital projects that were not completed and now reflected as work-in-progress in the fixed asset register. Depreciation only calculated on completed projects.

Finance Charges

Finance Charges are R888 945 million less than budgeted because of the new LT Loan only taken up on 30 June 2020, no interest or redemption payments were made towards the new loan.

Other Materials

Other materials are R5.7 million less than budgeted, due to strict cost containment measures implemented during the last quarter of the financial year and the closure of the procurement processed during the Covid 19 lock-down period.

Contracted Services

Contracted Services are R12.8 million below budget due to procurement processed could not be finalised during the financial year, and Covid 19 lock-down regulations. Cost saving measures were implemented for all non-essential items of expenditure during the last quarter of 2019-20

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Transfers and Grants

Transfers and Grants are R1.8 million less than budgeted, mainly due to the external bursaries that could not be awarded during the course of 2019/20 and other Community Support Programs that could not be completed due to the lock-down period.

Other Expenditure

Other expenditure is R28 million less than budgeted, mainly because of cost containment measures implemented and all non-essential expenditure that was stopped as remedy for the low payment percentage of service revenue. During lock-down period only essential services was permitted and goods & services procured only for emergency purposes.

Loss on Disposal of PPE

Loss on Disposal of PPE is R2.4 million more than budgeted, because the auction revenue received that could not be accurately determined during budget phase. The remainder relates to the movable and immovable property disposals that was approved by council, a non-cash transaction that was not budgeted for.

Cash Flow Statement

43.2.8 Net Cash from Operating Activities

Government Grants and Subsidies

Revenue on Conditional Grants and Subsidies budget underspent by R54.7 million, mainly due to the Integrated Human Settlement grant that was directly transferred to the contractor and not to the municipality. The Government Gazette still reflected direct transfers and needed to be budgeted accordingly.

Interest

Interest received is R3.8 million less than budgeted due to a incorrect classification. Interest on the cash flow statement only now includes interest on investments and not interest on outstanding debtors. In terms of the accounting guidelines and mSCOA this should be included in Ratepayers and Other.

Suppliers and Employees

Suppliers and employees R80 million less than budgeted due to strict cost containment measures implemented and only essential expenditure that was allowed during the lockdown period. Savings was identified on all expenditure items especially on Employee Related Cost for vacancies not filled and Bulk Purchases where energy saving initiatives was implemented.

Finance costs

Finance Cost is R2 million less than budgeted due to the new long term loan that was only transferred on the 30th of June. No interest or redemption payments was made on the new loan, but was budgeted.

Transfers and Grants

Transfers and Grants are R1.8 million less than budgeted, mainly due to the external bursaries that could be awarded during the course of 2019/20 and other Community Support Programs that could not be completed due to the lock-down period.

43.2.9 Net Cash from Investing Activities

Proceeds on disposal of PPE

Proceeds on Disposal of PPE was not budgeted because the auction for the sale of movable assets disposed of in 2018/19 was only conducted during September 2020, it was anticipated that this would have been before 30 June and amount was uncertain and could not be accurately forecasted.

Capital Assets

Capital Purchases is R60 million below budget mainly due to major capital projects that could not be completed during the lockdown period. The amount mainly consists of grant funded projects such as Blossoms Pipeline, various MIG projects, the Rosevalley Library where procurement processes could not be completed before year-end, and the Dysselsdorp Bulk Infrastructure DoHS project not completed.

43.2.10 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

Revenue for Consumer deposits included in Ratepayers and Other on the cash flow statement, and not separately disclosed as per the budget document. Actual movement on consumer deposits was R715 000 have an immaterial difference from the budgeted amount of R590 000

Repayment of Borrowing

Redemption payments on external loans is R852 995 million more than budgeted due to incorrect forecasted figures used during the budget compilation process. Interest towards financial leases was not included, only annuity loans.

43.2.11 Cash and Cash Equivalents as at year end

Actual cash is R89 million more than budgeted because of the improved cash flow position subsequent to the revenue gains from the revenue enhancement strategy in the first 8 months of the year. Cash backed Unspent Grants to value of R53 million and Unspent Borrowing to value of R11 million is included in the balance. It was not anticipated as large capital projects could not be completed, for which a roll-over process will be initiated.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

			2020 R	2019 R
44. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED				
44.1 Unauthorised expenditure				
Reconciliation of unauthorised expenditure:				
Opening balance			313 708 083	313 708 083
Unauthorised expenditure current year - operational			-	-
Unauthorised expenditure current year - capital			-	-
Written off by Council			-	-
			313 708 083	313 708 083
Unauthorised expenditure awaiting authorisation				
	2020 Actual R	2020 Final Budget R	2020 Variance R	2020 Unauthorised R
Unauthorised expenditure current year - operating				
Community And Public Safety	112 891 216	117 116 324	4 225 108	-
Corporate Services	25 100 403	27 184 449	2 084 046	-
Executive & Council	52 084 581	59 816 764	7 732 183	-
Financial Services	38 847 050	46 953 727	8 106 677	-
Human Settlement	14 575 005	41 744 741	27 169 736	-
Municipal Manager	19 526 576	21 406 392	1 879 816	-
Strategic Services	20 325 712	23 221 858	2 896 146	-
Technical Services	309 538 646	328 098 050	18 559 404	-
	592 889 188	665 542 305	72 653 117	-
Unauthorised expenditure current year - capital				
Community And Public Safety	62 200	17 107 545	17 045 345	-
Financial Services	-	1 944 000	1 944 000	-
Human Settlement	-	9 108 000	9 108 000	-
Municipal Manager	(0)	1 458 838	1 458 838	-
Strategic Services	-	2 464 629	2 464 629	-
Technical Services	1 859 319	99 713 617	97 854 298	-
	1 921 519	131 796 629	129 875 110	-
44.2 Fruitless and wasteful expenditure				
Reconciliation of fruitless and wasteful expenditure:				
Opening balance			36 573 002	35 433 650
Fruitless and wasteful expenditure current year			-	1 139 352
Written off by Council			-	-
			36 573 002	36 573 002
Fruitless and wasteful expenditure awaiting condonement				
Fruitless and wasteful expenditure can be summarised as follow:				
Incident		Disciplinary steps/criminal proceedings		
<i>Interest and legal fees paid to SA Rockdrills on full and final settlement</i>		<i>None</i>	-	1 139 352
			-	1 139 352
44.3 Irregular expenditure				
Reconciliation of irregular expenditure:				
Opening balance			498 080 424	328 015 448
Irregular expenditure current year			15 655 470	80 957 387
Irregular expenditure relating to prior years disclosed in current year			-	89 107 588
Written off by Council			-	-
			513 735 894	498 080 424
Irregular expenditure awaiting further action				

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Declaration of interest not submitted by supplier	Ongoing		83 767
Multiple deviations approved to the same supplier for the same service	Ongoing		1 991
Deviations not justifiable	Ongoing		424 387
No procurement process followed	Ongoing		153 820
Work done without purchase order/not registered on CSD	Ongoing		41 364
Payments made to suppliers exceed contract price	Ongoing		3 102 472
Payments exceeding the tender price, disclosed current year but incurred prior periods	Ongoing		2 280 497
Sec 32 Contract - ASLA not allowed	Ongoing	8 091 040	99 600 758
Sec 32 Contract - Syntell not allowed	Ongoing		8 563 007
Sec 32 Contract - Makhukane Consulting not allowed	Ongoing	860 584	1 531 307
Sec 32 Contract - Martin&East not allowed	Ongoing		27 341 546
Sec 32 Contract - BDE Consulting	Ongoing	186 462	741 043
Preferential Procurement Points calculation - VAT not taken into account	Ongoing		165 766
Services rendered in contradiction with the tender specifications- SCM 11/2017	Ongoing		320 593
Non compliance scm reg 19 no competitive bidding process implemented after contract expired	Ongoing	6 517 383	
Tenders awarded in contradiction with SCM Regulation 29(s) BAC meetings not constituted	Ongoing		24 967 510
Overpayment of Councillor Remuneration	Ongoing		379 468
Non-compliance with PPR	Ongoing		365 680
		15 655 470	170 064 976

After the reporting date, Council resolute to write off unauthorised, irregular and fruitless and wasteful expenditure in terms vir Sec 32, which have accumulated during prior years up and untill 30 June 2019. This late resolution constitute to a non-adjusting event in terms of GRAP 14 and is the effect of this the following amounts that will be written-off in the 2020/21 reporting period in the financial statements of the municipality:

- Unauthorised Expenditure to value of R313 708 083
- Fruitless and Waste Full Expenditure to value of R36 573 002
- Irregular Expenditure to vaue of R498 080 424

45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	-	-
Council subscriptions	2 625 061	2 499 928
Amount paid - current year	(2 625 061)	(2 499 928)
Balance unpaid (included in creditors)	-	-

45.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	5 779	-
Current year audit fee	6 412 816	6 971 631
External Audit - Auditor-General	(6 412 816)	6 971 631
Amount paid - current year	(6 412 816)	(6 965 852)
Amount paid - previous year	(5 779)	-
Balance unpaid (included in creditors)	-	5 779

45.3 VAT - [MFMA 125 (1)(c)]

Opening balance	(5 613 018)	(7 436 412)
Nett movements	1 823 394	1 823 394
Closing balance	(3 789 625)	(5 613 018)
Input VAT	7 708 040	5 333 764
Output VAT	(12 823 414)	(10 946 782)
Closing balance	(5 115 373)	(5 613 018)

45.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions	(31 846 311)	30 792 599
Amount paid - current year	31 846 311	(30 792 599)
Balance unpaid (included in creditors)	-	-

45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	-	-
Current year payroll deductions and Council Contributions	64 671 076	58 637 318
Amount paid - current year	(64 671 076)	(58 637 318)
Balance unpaid (included in creditors)	-	-

45.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

No outstanding debt for a period longer than 90 days during the financial year as noted for any councillor

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

45.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

2020:	Amount	Single Supplier	Type of Deviation		Emergency
			Impossible	Impractical	
July 2019	11 846	-	-	-	11 846
August 2019	103 358	-	-	-	103 358
September 2019	-	-	-	-	-
October 2019	107 408	68 201	-	39 207	-
November 2019	58 484	3 086	-	29 155	26 243
December 2019	16 057	5 624	-	10 433	-
January 2020	-	-	-	-	-
February 2020	4 554	-	-	-	4 554
March 2020	70 813	-	-	42 950	27 863
April 2020	679 829	-	-	-	679 829
May 2020	-	-	-	-	-
June 2020	2 573 158	-	-	2 323 158	250 000
	3 625 507	76 911	-	2 444 903	1 103 693

2019:	Amount	Single Supplier	Type of Deviation		Emergency
			Impossible	Impractical	
July 2018	164 281	-	-	164 281	-
August 2018	82 811	-	-	82 811	-
September 2018	-	-	-	-	-
October 2018	-	-	-	-	-
November 2018	-	-	-	-	-
December 2018	25 080	-	-	-	25 080
January 2019	412 529	-	-	107 372	305 157
February 2019	312 390	63 413	-	248 977	-
March 2019	293 012	26 843	-	266 168	-
April 2019	6 677 279	-	-	160 268	6 517 011
May 2019	1 550 443	22 242	-	1 158 953	369 249
June 2019	6 973 007	2 995	-	1 073 012	5 897 000
	16 490 832	115 492	-	3 261 843	13 113 496

2020
R

2019
R

45.8 Additional disclosure in terms of the Broad Based Black Economic Empowerment Act

Information on compliance with the B-BBEE Act will be included in the annual report based on actual audited figures for the current and prior year.

45.9 Material losses

Electricity distribution losses

Units purchased (Kwh)	143 532 455	149 604 912
Units lost during distribution (Kwh)	8 303 169	16 662 382
Percentage lost during distribution	5.78%	11.14%
Distribution loss (Rand Value)		

Water distribution losses

Units purchased (ml)	4 763 595	4 919 019
Units lost during distribution (ml)	599 329	790 597
Percentage lost during distribution	12.58%	16.07%
Distribution loss (Rand Value)		

Normal pipe bursts and field leakages are responsible for water losses.

46. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
The municipality did not hedge against any interest rate risks during the current year. The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
.5% (2019: 1%) Increase in interest rates	154 580	57 629
.25% (2019: 1%) Decrease in interest rates	(77 290)	(57 629)

(d) **Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 7 and 8 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2020 %	2020 R	2019 %	2019 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	21 464 257	100.00%	16 228 918
<u>Exchange Receivables</u>				
Electricity	19.90%	12 651 434	14.33%	8 372 011
Water	33.51%	21 301 851	32.43%	18 942 872
Property Rentals	0.00%	506	0.00%	506
Waste Management	13.82%	8 783 452	15.35%	8 965 981
Waste Water Management	16.82%	10 690 983	17.60%	10 279 211
Units not billed	0.00%	-	0.00%	-
Klein Karoo Water Scheme	4.17%	2 647 927	5.27%	3 079 264
Legal Fees Recovery	1.14%	727 184	1.24%	727 184
Sundry municipal charges	10.61%	6 742 781	13.73%	8 021 512
Prepaid expenditure	0.00%	-	0.00%	-
Other receivables	0.04%	23 400	0.04%	23 410
	100.00%	63 569 517	100.00%	58 411 950

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 7 and 8 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2020 %	2020 R	2019 %	2019 R
<u>Non-exchange Receivables</u>				
Rates	23.61%	19 118 080	21.63%	14 686 660
Fines	13.33%	10 789 722	9.67%	6 562 471
<u>Exchange Receivables</u>				
Services	63.06%	51 059 260	68.70%	46 637 236
	100.00%	80 967 062	100.00%	67 886 368

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2020 %	2020 R	2019 %	2019 R
Government	2%	1 420 432	0%	223 870
Business	6%	5 174 257	3%	1 974 075
Residential	75%	60 351 178	79%	53 342 365
Indigents	12%	9 846 484	8%	5 711 284
Other	5%	4 174 712	10%	6 634 774
	100.00%	80 967 063	100.00%	67 886 367

Balances past due not impaired:

	2020 %	2020 R	2019 %	2019 R
Non-exchange Receivables				
Rates	58%	3 044 145	75%	2 240 225
Fines	42%	2 248 733	25%	731 784
	100.00%	5 292 878	100.00%	2 972 009

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Balances past due not impaired:

	2020 %	2020 R	2019 %	2019 R
Exchange Receivables				
Services	100%	12 510 257	100%	11 848 939
	100.00%	12 510 257	100.00%	11 848 939

	2020 R	2019 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	40 180 018	41 827 712
Receivables from non-exchange transactions	10 495 462	8 185 094
Cash and Cash Equivalents	177 749 325	123 110 657
	228 424 804	173 123 463

The municipality is also exposed to a number of guarantees issued in favour of trade creditors. These guarantees are listed below:

Guarantee held at Standard Bank of South Africa in the favour of AFS Fuel	200 000	200 000
Guarantee held at Standard Bank of South Africa in the favour of ESKOM	409 100	409 100
	609 100	609 100

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2020				
Long-term Liabilities	18 418 949	33 409 463	14 309 301	-
Provision for Rehabilitation of Landfill-sites	8 021 993			214 639 027
Trade and Other Payables	69 876 490	-	-	-
Unspent Conditional Grants and Receipts	53 508 289	-	-	-
	149 825 722	33 409 463	14 309 301	214 639 027
2019				
Long-term Liabilities	19 916 699	35 652 365	2 808 790	-
Provision for Rehabilitation of Landfill-sites	7 646 095	7 182 669	6 323 447	231 754 974
Trade and Other Payables	56 629 414	-	-	-
Unspent Conditional Grants and Receipts	38 694 675	-	-	-
	122 886 883	42 835 034	9 132 238	231 754 974

47. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

47.1 Financial Assets

Classification

Receivables from Exchange Transactions

Electricity	Financial Instruments at amortised cost	22 877 556	18 155 976
Water	Financial Instruments at amortised cost	25 339 818	22 766 527
Property Rentals	Financial Instruments at amortised cost	506	506
Waste Management	Financial Instruments at amortised cost	10 297 696	10 412 649
Waste Water Management	Financial Instruments at amortised cost	13 282 828	12 620 038
Legal Fees Recovery	Financial Instruments at amortised cost	727 184	727 184
Klein Karoo Water Scheme	Financial Instruments at amortised cost	3 305 964	3 336 627

Cash and Cash Equivalents

Call Deposits	Financial Instruments at amortised cost	151 259 068	98 030 410
Primary Bank Account	Financial Instruments at amortised cost	26 490 257	25 080 246
Total Financial Assets		253 580 876	191 130 165

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020 R	2019 R
SUMMARY OF FINANCIAL ASSETS			
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	22 877 556	18 155 976
Receivables from Exchange Transactions	Water	25 339 818	22 766 527
Receivables from Exchange Transactions	Property Rentals	506	506
Receivables from Exchange Transactions	Waste Management	10 297 696	10 412 649
Receivables from Exchange Transactions	Waste Water Management	13 282 828	12 620 038
Receivables from Exchange Transactions	Legal Fees Recovery	727 184	727 184
Receivables from Exchange Transactions	Klein Karoo Water Scheme	3 305 964	3 336 627
Cash and Cash Equivalents	Call Deposits	151 259 068	98 030 410
Cash and Cash Equivalents	Primary Bank Account	26 490 257	25 080 246
		253 580 876	191 130 165
Total Financial Assets		253 580 876	191 130 165
47.2 Financial Liabilities			
Classification			
Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	48 104 482	40 942 662
Capitalised Lease Liability	Financial Instruments at amortised cost	3 630 067	6 755 340
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	60 729 747	45 186 734
Payments received in advance	Financial Instruments at amortised cost	4 856 733	5 707 483
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	1 068 415	1 155 032
Retentions	Financial Instruments at amortised cost	2 753 091	3 065 386
		121 142 535	102 812 638
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Annuity Loans	48 104 482	40 942 662
Long-term Liabilities	Capitalised Lease Liability	3 630 067	6 755 340
Trade and Other Payables	Trade Payables	60 729 747	45 186 734
Trade and Other Payables	Payments received in advance	4 856 733	5 707 483
Trade and Other Payables	Control, Clearing and Interface Accounts	1 068 415	1 155 032
Trade and Other Payables	Retentions	2 753 091	3 065 386
		121 142 535	102 812 638
48. STATUTORY RECEIVABLES			
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:			
Taxes			
VAT Receivable		7 708 040	5 333 764
Receivables from Non-Exchange Transactions		40 403 263	29 434 226
Rates		27 281 708	21 544 971
Fines		13 121 555	7 889 255
Total Statutory Receivables (before provision)		48 111 303	34 767 989
Less:	Provision for Debt Impairment	(29 907 801)	(21 249 131)
Total Statutory Receivables (after provision)		18 203 502	13 518 858
Reconciliation of Provision for Debt Impairment			
Balance at beginning of year		21 249 131	24 502 311
Contribution to provision		8 658 670	-
Reversals of contribution		-	(3 253 180)
Balance at end of year		29 907 801	21 249 131
Ageing of amounts past due but not impaired:			
Non-exchange		5 292 878	2 972 009
		5 292 878	2 972 009
49. IN-KIND DONATIONS AND ASSISTANCE			
The following officials provided services in-kind to the municipality in support of the Section 139 Intervention with the purpose of aiding with the financial, operational and institutional recovery of the municipality:			
The municipality received the following in-kind donations and assistance:			
Ms. Simms, funded by Department of Human Settlement through a subsidy who's revenue is recognized in terms of GRAP 23			
50. PRIVATE PUBLIC PARTNERSHIPS			
Council has not entered into any private public partnerships during the financial year.			

OUTDSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020 R	2019 R
51	PRINCIPAL - AGENT ARRANGEMENTS		
	<u>Principal in Principal-Agent Arrangement (Material)</u>		
	Oudtshoorn Municipality's binding arrangements for services delivered on behalve of the municipality and for which commissions were paid, have been evaluated and it was found that the conditions don't meet the applicable GRAP 109 criteria to be regarded as a principal arrangements.		
	<u>Agent in arrangement</u>		
	Oudtshoorn Municipality is the Agent in the Principal-Agent arrangement with the Western Cape Government . The Municipality is issuing motor vehicle licences and managing the NAVIS system on behalve of the Provincial Government .Commission based on a percentage of the licences fees issued are deducted from payments due to the Provincial Government. The nett amounts are paid over on a prescribed timeframe in a dedicated bank account.		
	Compensation received for agency activities		
	Commission	4 636 839	5 666 131
	Total Compensation received	4 636 839	5 666 131
	<u>Reconciliation of Agency Funds and Disbursements</u>		
	Principal name	Total Agency funds	Amount remitted
	Western Cape Government- Department of Transport	4 636 849	14 682 903
		4 636 849	14 682 903
	<u>Resources under custodianship at year-end</u>		
	None		
		4 636 839	11 332 262
52	CONTINGENT LIABILITY		
	The municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.		
52.1	Cobus Louw Professional Engineers CC v Oudtshoorn Municipality		
	On/about the 17th of January 2014 the Municipality requested assistance from Cobus Louw Professional Engineers CC for the sourcing of external funding for possible infrastructure projects totalling R20,000,000. As per this request the sourcing of MIG funding was excluded. In terms of ECSA, a 30% of the total amount of project fees was due to the supplier which amounted to R560,960, but only paid R66 543. Although no summons was issued, we are of opinion that a contingent liability exist for the amount of R494,364.	494 364	494 364
52.2	P Esterhuizen v Oudtshoorn Municipality		
	Mr Pieter Esterhuizen made a claim of R52 290. for personal injuries sustained allegedly due to the road works done by the municipality. The insurance rejected the claim, and subsequently a summons was served against the municipality. The insurance company of the municipality is defending the matter.	-	52 290
52.3	D Hendricks vs. Oudtshoorn Municipality		
	Mr Hendricks made a claim of R50 000. for personal injuries sustained allegedly due to an uneven pavement that he fell and sustained injuries. The insurance rejected the claim, and subsequently a summons was served against the municipality. The insurance company of the municipality is defending the matter.	-	50 000
52.4	Golden Rewards 965 cc. vs. Oudtshoorn Municipality		
	This matter involves the contract that was awarded to Golden Rewards 965 to build temporary structures for the displaced people. A settlement of amounts owed was paid out to the company in terms of the contract but this company alleges that a balance is still due, the Municipality denies that it owes the money.	155 040	155 040
52.5	Cornelius Draai vs Oudtshoorn Municipality		
	This matter involves a five year old boy, Cornelius Draai that drowned on the 5th of January 2020 at the Bridgeton Municipal Swimming Pool. A public liability claim have been made against the municipality and was referred to council's insurers. An investigation from Webber Wentzel Attorneys was performed and the report was submitted to council and the insurers.	10 000 000	
		10 649 404	751 694

OUTDSHOORN MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
53. CONTINGENT ASSET		
53.1 Oudtshoorn Municipality v Invusa Trading (Pty) Ltd		
The municipality disclosed under payables from exchange transactions the amount of R 3,4 million in respect of the creditor, Invusa Trading for services relating to road repairs allegedly rendered and invoiced, the municipality instituted a counter claim for a similar amount as the payable claimed, for undue enrichment stemming from the irregular extension of the contract to Invusa Trading (Pty) Ltd.		3 975 896
	-	3 975 896

54. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related Party Transactions

	2020 R Rates & Services	2020 R Outstanding Balance	2019 R Rates & Services	2019 R Outstanding Balance
54.1 Related Party Transactions				
Councillors				
LPO Wagenaar	11 651	1 577	10 921	-
JC Lambaatjeen	16 524	-	10 490	-
LS Stone	5 799	1 027	5 400	911
MBG Theyse	12 106	3 106	11 351	-
HG Juthe	14 725	-	13 826	-
N Mwati	19 552	1 561	18 378	2 707
DJ Fourie	19 711	3 569	18 519	-
E Fortuin	4 320	-	4 001	-
N Soman	5 765	1 579	5 368	598
	110 153	12 419	98 255	4 216

Senior Management - Directors

Mr Paulse				
Mr Lötter(service ended 31 October 2019)	21 487	-	20 207	2 691
Ms S Simms	10 353	-	9 456	1 037

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2020

	Staff Leave Provision	Performance Bonus	Subsistence and Travel
Key Management Personnel			
Mr Paulse	135 354	167 783	35 924
Mr Lötter(service ended 31 October 2019)	-	174 553	24 025
Mr. LH Fourie(November 2019 - February 2020)	-	-	4 392
Mr. GP De Jager(started 1 March 2020)	39 245	-	5 070
Mr Smit	111 861	174 553	39 813
Mr Koch (service ended 31 October 2019)	-	137 149	17 520
Mr T Matthee	98 621	174 553	29 094
Ms S Simms	-	-	6 801
	385 081	828 592	162 640

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2019

	Staff Leave Provision	Performance Bonus	Subsistence and Travel
Key Management Personnel			
Mr Paulse	49 662	207 726	98 038
Mr Lötter	-	169 799	51 647
Mr Smit	35 702	169 799	28 897
Mr Koch	-	169 799	33 291
Mr T Matthee	64 266	169 799	23 856
Ms S Simms	-	-	16 447
	149 630	886 921	252 176

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

				2020 R	2019 R
54.2 Related Party Loans					
	Since 1 July 2004 loans to councillors and senior management employees are not permitted.				
54.3 Compensation of key management personnel					
	The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.				
54.4 Other related party transactions					
	The following purchases were made during the year where Councillors or staff have an interest:				
	Company Name	Related Party	Service Capacity	Relationship	
	Volmoed Quarries	A Le Kay	Manager: Cleansing Services	Wife of Manager: Cleansing Services	- 4 692
	Suave Unlocked Pty Ltd	A. Oliphant	Communications Officer	Brother of Communications officer	238 970 73 330
	GH Towing	G. Wolmerans	Disaster Management Officers	Disaster Management Officers Brother	42 910 30 060
	Bridgton Autospare	H Trimm	Traffic Officer	Brother of a Traffic Officer	4 915 13 000
	Voelgesang Boerdery	Mrs Schoeman	Teacher	Wife of the service provider working for Dept of Education	- 68 473
	Phandu Communications	Takalani Justices Services	Employee	Service Provider works for Land and Agricultural bank of SA	- 43 256
	Transform Construction	H. Malgas	Disaster Management Officers	Mother in-law of owner	396 827 311 887
	Gemini Projects	I Malgas	Disaster Management Officers	Disaster Management, sister-in-law of owners	116 289 -
	Nandipha Belinda Ngalo	M. Ngalo	Employee	Cousin of the owner	125 290 -
				925 201	544 698

55 EVENTS AFTER REPORTING PERIOD

After the reporting date, Council resolute to write off unauthorised, irregular and fruitless and wasteful expenditure in terms vir Sec 32, which have accumulated during prior years up and untill 30 June 2019. This late resolution constitute to a non-adjusting event in terms of GRAP 14 and is the effect of this the following amounts that will be written-off in the 2020/21 reporting period in the financial statements of the municipality:

- Unauthorised Expenditure to value of R313 708 083
- Fruitless and Waste Full Expenditure to value of R36 573 002
- Irregular Expenditure to vaue of R498 080 424

56 FINANCIAL SUSTAINABILITY

There has been a markable improvement in both the financial position and financial performance since the 2015/2016 financial year and through the subsequent financial years since the administration was lifted after the Local Government elections of 2016. Various cost savings initiatives, revenue enhancement, and debt collection efforts have aided in the improvement of the financial performance as well as the liquidity position of the municipality. The strengthening of financial and other internal controls have also aided in the financial recovery process of the municipality. Senior personnel are enforcing financial strategies and strict financial controls aimed at further improving accountability and reducing unnecessary expenditure also ensuring that more care is taken by the sub-ordinate managers and staff members in general, in the utilization of municipal resources.

Management is therefore of the opinion that the municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.

Financial Indicators

The following challenges are an indication of the risk relating to going concern:

- The current assets to current liabilities ratio is 1.27:1 which is still not within the norm of between 1.5 to 2:1 as stated in the National Treasury MFMA circular no. 71. Improvement on the 1.17:1 reported in the prior year, but the ratio remained stable and have not declined
- A consecutive surplus was realized from the comparative year.
- Debtors payment ratio declined from 97.5% in 2019 to 92.4% in 2020. The decline in the debt recovery ratio is evident of the negative impact of the Covid 19 lock-down period. Management regards this as short-term in nature and it has no severe impact on the

Other Indicators

Possible outflow of recourses due the contingent liabilities disclosed in note 52.

APPENDIX A
OUTDSHOORN LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2020

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2019	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2020
ANNUITY LOANS								
Standard Bank	12.65%	330071688	2021/06	6 640 752	-	-	(3 116 157)	3 524 595
Standard Bank	11.09%	061134732	2022/12/31	3 546 934	-	-	(880 082)	2 666 852
Standard Bank	11.70%	302786511	2023/06/20	14 668 833	-	-	(3 062 852)	11 605 981
Standard Bank	7.65%	009733922	47483			18 000 000	-	18 000 000
FNB	11.97%	000-022-701-6	2016/06	2 303 646	-	-	(1 490 685)	812 961
Development Bank of SA								
Urban Infrastructure Project 10608/1	14.00%	10608/1'01	2017/06	4 236 971	-	-	(683 855)	3 553 116
Multiple Infrastructure 101096/1	10.41%	101096/1	2024/06	25 430	-	-	(25 431)	(0)
Multiple Infrastructure 101096/2	10.16%	101096/2	2019/12	1 539 474	-	-	(236 842)	1 302 632
Multiple Infrastructure 101647/1	7.59%	101647/1	2025/12	142 858	-	-	(142 858)	0
Multiple Infrastructure 101647/3	6.88%	101647/3	2015/06	3 763 159	-	-	(578 947)	3 184 211
Infrastructure 102003/1	6.56%	102003/1	2025/12	2 122 819	-	-	(303 260)	1 819 559
Electricity And Water 102292/2	6.59%	102292/2	2016/06	217 236	-	-	(100 393)	116 843
Deep Aquifer Hydrogeological 13774	15.67%	13774	2021/06	1 734 550	-	-	(216 819)	1 517 731
				-	-	-	-	-
Total Annuity Loans				40 942 661	-	18 000 000	(10 838 179)	48 104 482
LEASE LIABILITY								
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 28191	12.01%		2020/01	33 428	-	-	(33 427)	0
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 30015	12.01%		2020/01	33 428	-	-	(33 427)	0
Isuzu KB 250 F/Slide D/Cab Hi-Rider CG 29891	12.01%		2019/12	25 846	-	-	(25 846)	0
Chevrolet Utility 1.4 + A/c CG 16101	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Chevrolet Utility 1.4 + A/c CG 10020	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Chevrolet Utility 1.4 + A/c CG 17054	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Chevrolet Utility 1.4 + A/c CG 15435	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 11569	12.01%		2020/02	33 295	-	-	(33 295)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 15076	12.01%		2020/02	33 295	-	-	(33 295)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 15299	12.01%		2020/02	33 295	-	-	(33 295)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 28551	12.01%		2019/12	21 315	-	-	(21 314)	1
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 29837	12.01%		2019/12	21 315	-	-	(21 314)	1
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29940	12.01%		2020/01	73 684	-	-	(73 684)	(0)
Chevrolet Utility 1.4 + A/c CG 14177	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Chevrolet Utility 1.4 + A/c CG 15042	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Chevrolet Utility 1.4 + A/c CG 14240	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29933	12.01%		2020/01	73 684	-	-	(73 684)	(0)
Isuzu Trucks & Series NPR 400 Crew CAB AMT CG 29938	12.01%		2020/01	73 684	-	-	(73 684)	(0)
Chevrolet Utility 1.4 + A/c CG 31709	12.01%		2019/12	17 225	-	-	(17 225)	(0)
Chevrolet Utility 1.4 + A/c CG 15643	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 29836	12.01%		2019/12	21 315	-	-	(21 314)	1
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 17509	12.01%		2019/12	21 315	-	-	(21 314)	1
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 29835	12.01%		2019/12	21 315	-	-	(21 314)	1
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 11230	12.01%		2020/02	31 695	-	-	(31 696)	(1)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 13791	12.01%		2020/02	33 295	-	-	(33 295)	(0)
Chevrolet Spark 1.2L CG 12963	12.01%		2019/12	16 355	-	-	(16 354)	1
Chevrolet Spark 1.2L CG 26073	12.01%		2019/12	16 355	-	-	(16 354)	1
Chevrolet Spark 1.2L CG 26828	12.01%		2019/12	16 355	-	-	(16 354)	1
Chevrolet Utility 1.4 + A/c CG 17629	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 28268	12.01%		2019/12	21 315	-	-	(21 314)	1
Chevrolet Utility 1.4 + A/c CG9909	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 30014	12.01%		2020/01	33 428	-	-	(33 427)	0
Chevrolet Utility 1.4 + A/c CG 10367	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Chevrolet Utility 1.4 + A/c CG 16602	12.01%		2019/11	16 455	-	-	(16 455)	(0)
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 18605	12.01%		2019/11	21 315	-	-	(21 314)	1
Isuzu KB 250 F/Slide Reg Cab CG 11214	12.01%		2019/12	25 663	-	-	(25 663)	0
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 4456	12.01%		2020/05	45 421	-	-	(45 420)	1
UD Trucks UD 85d Tipper CG 10546	12.01%		2020/05	223 683	-	-	(223 683)	(0)
Isuzu KB 250 LE 4x4 Reg Cab CG 30357	12.01%		2020/04	54 321	-	-	(54 321)	(0)
Isuzu KB 250 LE 4x4 D/Cab CG 30187	12.01%		2020/04	97 549	-	-	(97 549)	(0)
Isuzu KB 250 F/Slide Reg Cab CG 30227	12.01%		2020/04	42 330	-	-	(42 330)	(0)
Chevrolet Spark 1.2 CG 28536	12.01%		2020/04	32 315	-	-	(32 315)	0
Isuzu KB 250 LE 4x4 D/Cab CG 4859	12.01%		2020/05	64 294	-	-	(64 293)	0
Isuzu KB 250 F/Slide Reg Cab CG 30227	12.01%		2020/05	46 492	-	-	(46 492)	0
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 30283	12.01%		2020/04	40 548	-	-	(40 548)	0
Chevrolet Spark 1.2 CG 30261	12.01%		2020/04	32 315	-	-	(32 315)	0
Chevrolet Spark 1.2 CG 30263	12.01%		2020/04	32 315	-	-	(32 315)	0
Chevrolet Utility 1.4 + A/c CG 17761	12.01%		2020/04	29 574	-	-	(29 574)	0
Chevrolet Utility 1.4 + A/c CG 17096	12.01%		2020/04	29 574	-	-	(29 574)	0
Chevrolet Utility 1.4 + A/c CG 28297	12.01%		2020/04	29 574	-	-	(29 574)	0
Chevrolet Utility 1.4 + A/c CG 4845	12.01%		2020/04	33 128	-	-	(33 128)	0
Isuzu KB 250 LE 4x4 D/Cab CG 28060	12.01%		2020/01	72 819	-	-	(72 819)	0
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 4456	12.01%		2020/05	50 633	-	-	(50 632)	1
Isuzu KB 250 F/Slide Reg Cab (Leed) CG 14422	12.01%		2020/05	97 408	-	-	(97 408)	(0)
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 16899	12.01%		2020/05	104 001	-	-	(104 002)	(0)
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 19856	12.01%		2020/05	104 001	-	-	(104 002)	(0)
Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 13487	12.01%		2020/05	107 526	-	-	(107 527)	(0)
Isuzu Trucks N Series NPR 400 F/C CC CG 14545	12.01%		2020/05	97 408	-	-	(97 408)	(0)

Isuzu Trucks N Series NPR 400 CREW Cab Amt CG 16028	12.01%		2020/05	121 221	-	-	(121 220)	1
UD Trucks UD 85d Tipper CG 16844	12.01%		2020/06	461 964	-	-	(461 965)	(0)
Isuzu Trucks N Series NPR 400 F/C CC CG 17050	12.01%		2020/06	231 622	-	-	(231 622)	0
Isuzu Trucks N Series NPR 400 F/C CC CG 29941	12.01%		2020/01	69 246	-	-	(69 244)	2
Isuza KB 250C F/Side Reg Cab CG 17564	10.00%		2020/02	57 482	-	-	(57 483)	(0)
Isuzu KB 250C F/Side Reg Cab CG 16558	10.00%		2020/02	57 482	-	-	(57 483)	(0)
Isuzu KB 250C HO HI-RIDER Reg Cab 4x4 CG 7204	10.00%		2019/12	55 954	-	-	(55 954)	0
Isuzu KB 250C F/Side Reg Cab CG 7947	10.00%		2019/12	42 273	-	-	(42 273)	(0)
Isuzu KB 250C F/Side Reg Cab CG 6860	10.00%		2019/12	43 579	-	-	(43 579)	(0)
Isuzu KB 250 HO HI-RIDER Reg Cab 4x4 CG 7012	10.00%		2019/12	55 286	-	-	(55 286)	0
Toyota Hilux 2.4 GD-6 RB SRX CG 24657	10.00%		2021/02	118 477	-	-	(68 714)	49 762
Nissan NP200 1.6 8v BASE + AC UA6 CG 8758	10.00%		2019/11	23 185	-	-	(23 184)	0
Ford Ranger 2.2tdci L/r P/u S/c Cg 30855	10.25%		2022/05	192 753	-	-	(59 734)	133 019
Ford Ranger 2.2tdci L/r P/u S/c Cg 29680	10.25%		2022/05	192 753	-	-	(59 734)	133 019
Ford Figo 1.5ti Vct Ambiente (5dr) Cg 33999	10.25%		2022/05	134 112	-	-	(41 561)	92 551
Ford Figo 1.5ti Vct Ambiente (5dr) Cg 33996	10.25%		2022/05	134 119	-	-	(41 561)	92 558
Ford Figo 1.5ti Vct Ambiente (5dr) Cg 31834	10.25%		2022/05	134 119	-	-	(41 563)	92 556
Ford Ranger 2.2tdci XI 4*4 P/u Sup/cab Cg 34001	10.25%		2022/06	324 158	-	-	(97 231)	226 928
Ford Ranger 2.2tdci L/r P/u S/c Cg 32359	10.25%		2022/05	192 753	-	-	(59 734)	133 019
Ford Ranger 2.2tdci XI 4*4 P/u D/c Cg 32597	10.25%		2022/05	306 457	-	-	(94 971)	211 486
Ford Ranger 2.2tdci XI 4*4 P/u D/c Cg 34003	10.25%		2022/05	306 457	-	-	(94 971)	211 486
Ford Ranger 2.2tdci L/r P/u S/c Cg 34006	10.25%		2022/05	192 753	-	-	(59 734)	133 019
Ford Ranger 2.2tdci L/r P/u S/c Cg 33895	10.25%		2022/05	192 753	-	-	(59 734)	133 019
Ford Ranger 2.2tdci XI 4*4 P/u D/c Cg 34007	10.25%		2022/05	303 370	-	-	(94 014)	209 356
Ford Ranger 2.2tdci L/r P/u S/c Cg 34012	10.25%		2022/05	192 753	-	-	(59 734)	133 019
Suzuki Ertiga 1.5 Ga Cg 20395	10.25%		2022/05	200 373	-	-	(62 095)	138 278
UD TRUCKS CRONER PKE 250 TIPPER CG 18771	10.25%		2022/06			577 344	(173 173)	404 171
UD TRUCKS CRONER PKE 250 TIPPER CG 31467	10.25%		2022/06			1 174 318	(352 234)	822 084
ISUZU TRUCKS N SERIES NPR 400 CREW CAB AMT	10.25%		2022/07			386 555	(105 826)	280 729
Total Lease Liabilities				6 755 348	-	2 138 217	(5 263 499)	3 630 067
TOTAL EXTERNAL LOANS				47 698 009	-	20 138 217	(16 101 678)	51 734 548

APPENDIX B
OUDTSHOORN LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R		2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R
			Governance and Administration			
94 593 421	(76 691 715)	17 901 707	Executive and council	88 077 959	(88 731 561)	(653 602)
91 904 387	(69 659 589)	22 244 798	Finance and administration	97 906 267	(68 038 392)	29 867 875
-	(1 791 543)	(1 791 543)	Internal audit	-	(1 883 995)	(1 883 995)
			Community and Public Safety			
5 716 320	(18 722 961)	(13 006 641)	Community and social services	6 668 765	(21 506 745)	(14 837 980)
1 753 110	(34 227 076)	(32 473 966)	Sport and recreation	1 264 830	(32 465 274)	(31 200 444)
20 138 474	(37 942 012)	(17 803 539)	Public safety	17 424 550	(36 253 206)	(18 828 656)
46 933 897	(54 769 919)	(7 836 022)	Housing	11 569 429	(14 575 005)	(3 005 576)
-	-	-	Health	-	-	-
			Economic and Environmental Services			
-	(19 761 027)	(19 761 027)	Planning and development	1 348 361	(20 325 712)	(18 977 351)
24 710 508	(39 389 312)	(14 678 805)	Road transport	19 930 952	(32 946 689)	(13 015 736)
-	-	-	Environmental protection	-	-	-
			Trading Services			
237 639 120	(180 650 275)	56 988 845	Energy sources	243 586 132	(200 313 063)	43 273 069
89 474 247	(46 351 619)	43 122 629	Water management	105 195 117	(52 109 274)	53 085 843
42 165 962	(24 206 959)	17 959 003	Waste water management	43 439 421	(26 068 619)	17 370 802
26 942 203	(25 396 618)	1 545 585	Waste management	30 614 653	(27 505 699)	3 108 955
-	-	-	Other	-	-	-
681 971 649	(629 560 626)	52 411 023	Sub Total	667 026 437	(622 723 233)	44 303 204
-	-	-	Less Inter-Departmental Charges	-	-	-
681 971 649	(629 560 626)	52 411 023	Total	667 026 437	(622 723 233)	44 303 204

APPENDIX C
OUDTSHOORN LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020
MUNICIPAL VOTES CLASSIFICATIONS

2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R		2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R
			Executive & Council			
76 502 306	(56 420 507)	20 081 799	Council General	71 846 818	(64 861 717)	6 985 101
-	(13 923)	(13 923)	Office Of The Executive Deputy Mayor	-	-	-
-	(6 368 734)	(6 368 734)	Office Of The Executive Mayor	-	(6 551 270)	(6 551 270)
-	(487 572)	(487 572)	Office Of The Speaker	-	(539 604)	(539 604)
		-	Municipal Manager			-
-	(2 895 918)	(2 895 918)	Office of the Municipal Manager	-	(3 194 326)	(3 194 326)
-	(1 791 543)	(1 791 543)	Internal Audit	-	(1 883 995)	(1 883 995)
18 189 543	(12 867 069)	5 322 474	Cango Caves	16 231 141	(13 584 644)	2 646 497
-	(628 442)	(628 442)	Risk Management	-	(863 610)	(863 610)
		-	Corporate Services			
-	(2 028 342)	(2 028 342)	Office of HOD - Corporate Services	-	(2 223 238)	(2 223 238)
-	(329 640)	(329 640)	Council Support	158 825	(259 185)	(100 360)
-	(9 380 608)	(9 380 608)	Administration & Archives	-	(9 561 123)	(9 561 123)
629 452	(9 230 735)	(8 601 284)	Human Resources	1 360 630	(9 177 950)	(7 817 319)
-	(2 255 554)	(2 255 554)	Contract & Legal Services	-	(3 878 908)	(3 878 908)
		-	Financial Services			
-	(6 001 454)	(6 001 454)	Office of the CFO	-	(3 978 695)	(3 978 695)
88 441 552	(13 668 000)	74 773 551	Income	92 829 812	(12 691 956)	80 137 856
-	(4 567 045)	(4 567 045)	Expenditure	-	(5 070 751)	(5 070 751)
-	(6 803 285)	(6 803 285)	Information Technology	-	(6 364 731)	(6 364 731)
2 833 384	(5 718 964)	(2 885 580)	Financial Accounting	3 557 000	(6 428 541)	(2 871 541)
-	(3 658 379)	(3 658 379)	Supply Chain Management	-	(4 312 375)	(4 312 375)
		-	Community And Public Safety			
-	(14 390 106)	(14 390 106)	Office of HOD - Community Services	-	(12 802 299)	(12 802 299)
20 138 474	(37 942 012)	(17 803 539)	Protection Services	17 424 550	(36 253 206)	(18 828 656)
1 753 110	(23 136 731)	(21 383 620)	Parks & Recreation	1 264 830	(24 328 088)	(23 063 259)
5 716 320	(6 489 637)	(773 317)	Library Services	6 668 765	(6 998 128)	(329 363)
26 347 096	(25 404 968)	942 128	Cleansing Services	28 098 856	(27 505 699)	593 157
-	(8 933 563)	(8 933 563)	Council Buildings & Halls	-	(9 843 504)	(9 843 504)
-	-	-	Airport	-	-	-
		-	Technical Services			
25 305 615	(39 389 312)	(14 083 698)	Civil Engineering Services	22 446 750	(32 946 689)	(10 499 939)
237 639 120	(178 623 564)	59 015 556	Electro-technical Services	243 586 132	(199 148 748)	44 437 384
-	(2 026 712)	(2 026 712)	Office Of Hod - Technical Services	-	(1 164 314)	(1 164 314)
89 474 247	(46 351 619)	43 122 629	Rural Water	105 195 117	(52 109 274)	53 085 843
42 165 962	(24 198 609)	17 967 353	Sewerage	43 439 421	(26 068 619)	17 370 802
-	(3 125 560)	(3 125 560)	Workshop	-	(3 227 328)	(3 227 328)
		-	Human Settlement			
46 933 897	(54 769 919)	(7 836 022)	Human Settlement	11 569 429	(14 575 005)	(3 005 576)
			Strategic Services			
-	-	-	IDP	-	-	-
-	(14 116 798)	(14 116 798)	Corporate Wide Strategic Planning	1 348 361	(14 098 032)	(12 749 671)
-	(5 644 230)	(5 644 230)	Town Planning	-	(6 227 680)	(6 227 680)
682 070 077	(629 659 055)	52 411 023	Sub Total	667 026 437	(622 723 233)	44 303 204
-	-	-	Less Inter-Departmental Charges	-	-	-
682 070 077	(629 659 055)	52 411 023	Total	667 026 437	(622 723 233)	44 303 204

APPENDIX D
OUDTSHOORN LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2019	Correction of Error	Restated Balance 30 June 2019	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2020	Unspent 30 June 2020 (Creditor)	Unpaid 30 June 2020 (Debtor)
<u>National Government Grants</u>										
Equitable Share	-	-	-	73 525 000	-	(73 525 000)	-	-	-	-
Local Government Financial Management Gr	-	-	-	2 085 000	-	(2 085 000)	-	(0)	-	(0)
Municipal Infrastructure Grant	0		0	21 747 000		(1 409 975)	(15 792 977)	4 544 048	4 544 048	-
Integrated National Electrification Grant	43 960	-	43 960	6 000 000	(43 960)		(6 000 000)	0	0	-
Regional Bulk Infrastructure Grant - Departm	1 613 986	-	1 613 986	-	-	-	-	1 613 986	1 613 986	-
Extended Public Works Program	-	-	-	2 728 000	-	(2 728 000)	-	-	-	-
Water services Infrastructure Grant	24 498 463	-	24 498 463	39 500 000	-	-	(32 973 498)	31 024 965	31 024 965	-
Disaster Relief Grant				209 000		(52 900)		156 100	156 100	-
Water Macro Planning				1 293 312			(1 293 312)	0	0	-
Total National Government Grants	26 156 409	-	26 156 409	147 087 312	(43 960)	(79 800 875)	(56 059 788)	37 339 099	37 339 099	(0)
<u>Provincial Government Grants</u>										
CDW operational support grant	46 825	-	46 825	112 000	-	(158 825)	-	-	-	-
Library Services	0		0	6 371 000		(6 257 963)	(113 037)	0	0	-
Rosevalley Library Grant	1 941 680		1 941 680	6 500 000			(297 765)	8 143 915	8 143 915	-
Integrating Housing Settlement Grant	9 882 160	956	9 883 116	6 311 946		(4 569 429)	(5 000 000)	6 625 633	6 625 633	-
Emergency Housing Programm	-		-			(2 000 000)		(2 000 000)	-	(2 000 000)
WC Finance Management Support Grant	0		0	1 472 000		(975 094)	(496 906)	0	0	-
Local Government Support Grant				550 000		(550 000)		-	-	-
Maintenance Main Road Subsidy	-		-					-	-	-
WC Municipal Financial Management Capac	97 684		97 684	380 000		(343 500)		134 184	134 184	-
Municipal Service Delivery and Capacity Buil	500 000		500 000	120 000	(500 000)			120 000	120 000	-
Local Government Graduate Internship Grant	68 961		68 961	80 000		(56 383)		92 578	92 578	-
Fire Service Capacity Building Grant				830 000			(652 423)	177 577	177 577	-
Airport Infrastructure Grant				1 437 073			(561 770)	875 303	875 303	-
Total Provincial Government Grants	12 537 310	956	12 538 266	24 164 019	(500 000)	(14 911 194)	(7 121 901)	14 169 190	16 169 190	(2 000 000)
Total Grants	38 693 720	956	38 694 675	171 251 331	(543 960)	(94 712 069)	(63 181 689)	51 508 289	53 508 289	(2 000 000)

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

MUN - Reconciliation of Table A1 Budget Summary

Description	2019/20								2018/19	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	12
R thousands										
Financial Performance										
Property rates	93 375	(644)	92 730	92 909		179	100.2%	99.5%		88 173
Service charges	378 179	(31 618)	346 561	340 097		(6 464)	98.1%	89.9%		334 931
Investment revenue	6 235	4 154	10 389	10 999		609	105.9%	176.4%		8 963
Transfers recognised - operational	102 404	16 885	119 290	94 712		(24 578)	79.4%	92.5%		130 693
Other own revenue	45 561	(6 690)	38 871	60 532		21 661	155.7%	132.9%		71 284
Total Revenue (excluding capital transfers and contributions)	625 754	(17 913)	607 841	599 250		(8 592)	98.6%	95.8%		634 043
Employee costs	276 836	(22 249)	254 587	250 142	–	(4 445)	98.3%	90.4%	–	233 488
Remuneration of councillors	11 650	246	11 897	11 213	–	(684)	94.3%	96.2%	–	10 887
Depreciation & asset impairment	41 305	(150)	41 156	16 407	–	(24 749)	39.9%	39.7%	–	36 435
Finance charges	11 252	(4 387)	6 866	5 977	–	(889)	87.1%	53.1%	–	8 021
Materials and bulk purchases	208 346	(11 333)	197 013	185 286	–	(11 727)	94.0%	88.9%	–	172 500
Transfers and grants	3 240	3 357	6 597	4 717	–	(1 880)	71.5%	145.6%	–	3 788
Other expenditure	136 022	19 478	155 500	144 435	–	(11 066)	92.9%	106.2%	–	157 443
Total Expenditure	688 652	(15 037)	673 615	618 176	–	(55 439)	91.8%	89.8%	–	622 562
Surplus/(Deficit)	(62 898)	(2 876)	(65 774)	(18 927)		46 847	28.8%	30.1%		11 481
Transfers recognised - capital	64 827	41 350	106 177	63 182		(42 995)	59.5%	97.5%		40 930
Contributions recognised - capital & contributed assets	–	–	–	–		–				–
Surplus/(Deficit) after capital transfers & contributions	1 929	38 474	40 403	44 255		3 852	109.5%	2294.2%		52 411
Share of surplus/ (deficit) of associate	–	–	–	–		–				–
Surplus/(Deficit) for the year	–	–	–	–		–				–
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital	57 480	37 384	94 864	55 500		(39 363)	58.5%	96.6%		40 930
Public contributions & donations		–		62		62				20
Borrowing	18 000	–	18 000	8 670		(9 330)	48.2%	48.2%		3 065
Internally generated funds	14 000	4 933	18 933	9 047		(9 886)	47.8%	64.6%		10 675
Total sources of capital funds	89 480	42 317	131 797	73 279		(58 517)				54 690
Cash flows										
Net cash from (used) operating	61 423	32 473	93 896	123 636		29 740	131.7%	201.3%		119 652
Net cash from (used) investing	(80 532)	(51 265)	(131 797)	(70 896)		60 901	53.8%	88.0%		(51 604)
Net cash from (used) financing	1 592	1 751	3 343	1 898		(1 445)	56.8%	119.2%		(15 906)
Cash/cash equivalents at the year end	55 244	33 347	88 591	177 787		89 196	200.7%	321.8%		52 141

MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2019/20								2018/19	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	12
Revenue - Standard										
Governance and administration	167 820	(676)	167 144	185 984		18 840	0.0%	0.0%		186 498
Executive and council	70 839	(1 552)	69 287	88 078		18 791	127.1%	124.3%		94 593
Finance and administration	96 981	876	97 857	97 906		49	100.0%	101.0%		91 904
Internal audit	–	–	–	–		–				–
Community and public safety	43 133	28 176	71 309	36 928						69 025
Community and social services	12 871	2 062	14 933	6 669		(8 264)	44.7%	51.8%		5 716
Sport and recreation	1 986	(694)	1 293	1 265		(28)	97.8%	63.7%		1 753
Public safety	12 106	616	12 722	17 425		4 703	137.0%	143.9%		14 622
Housing	16 170	26 192	42 362	11 569		(30 793)	27.3%	71.5%		46 934
Health	–	–	–	–		–	#DIV/0!	#DIV/0!		–
Economic and environmental services	24 590	2 224	26 814	21 279						24 711
Planning and development	–	2 224	2 224	1 348		(875)	60.6%	#DIV/0!		–
Road transport	24 590	–	24 590	19 931		(4 659)	81.1%	81.1%		24 711
Environmental protection	–	–	–	–		–	#DIV/0!	#DIV/0!		–
Trading services	455 038	(6 286)	448 751	422 835		(25 916)	94.2%	92.9%		394 641
Energy Sources	268 495	(21 098)	247 397	243 586		(3 811)	98.5%	90.7%		237 639
Water Management	113 726	15 753	129 479	105 195		(24 284)	81.2%	92.5%		88 903
Waste water management	44 389	(556)	43 833	43 439		(394)	99.1%	97.9%		41 752
Waste management	28 428	(386)	28 042	30 615		2 572	109.2%	107.7%		26 347
Other	–	–	–	–		–	#DIV/0!	#DIV/0!		–
Total Revenue - Standard	690 581	23 437	714 018	667 026		(46 992)	93.4%	96.6%		674 875
Expenditure - Standard										
Governance and administration	166 709	(6 231)	160 478	158 702	–	(1 776)	98.9%	95.2%	–	147 208
Executive and council	84 998	(5 399)	79 599	88 780	–	9 181	111.5%	104.4%	–	76 961
Finance and administration	79 412	(730)	78 682	68 038	–	(10 644)	86.5%	85.7%	–	68 456
Internal audit	2 299	(103)	2 196	1 884	–	(312)	85.8%	81.9%	–	1 792
Community and public safety	137 089	(5 817)	131 272	104 800	–	(26 472)	79.8%	76.4%	–	141 008
Community and social services	23 001	(1 289)	21 713	21 507	–	(206)	99.1%	93.5%	–	18 723
Sport and recreation	42 672	(7 480)	35 192	32 465	–	(2 727)	92.3%	76.1%	–	35 090
Public safety	44 682	(12 060)	32 622	36 253	–	3 631	111.1%	81.1%	–	32 425
Housing	26 733	15 012	41 745	14 575	–	(27 170)	34.9%	54.5%	–	54 770
Health	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–
Economic and environmental services	63 779	(2 808)	60 971	53 272	–	(7 699)	87.4%	83.5%	–	59 223
Planning and development	25 062	(1 843)	23 219	20 326	–	(2 893)	87.5%	81.1%	–	19 833
Road transport	38 717	(965)	37 752	32 947	–	(4 805)	87.3%	85.1%	–	39 389
Environmental protection	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–
Trading services	321 110	(216)	320 894	305 997	–	(14 898)	95.4%	95.3%	–	275 025
Energy Sources	218 049	(11 067)	206 981	200 313	–	(6 668)	96.8%	91.9%	–	180 650
Water Management	48 898	5 269	54 167	52 109	–	(2 058)	96.2%	106.6%	–	45 780
Waste water management	25 182	3 975	29 157	26 069	–	(3 088)	89.4%	103.5%	–	23 793
Waste management	28 981	1 608	30 589	27 506	–	(3 083)	89.9%	94.9%	–	24 802
Other	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–
Total Expenditure - Standard	688 688	(15 072)	673 615	622 771	–	(50 844)	92.5%	90.4%	–	622 463
Surplus/(Deficit) for the year	1 893	38 510	40 403	44 255	–	3 852	109.5%	2337.7%	–	52 411

MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2019/20								2018/19	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	12
Revenue by Vote										
Executive & Council	51 672	2 351	54 022	71 847		17 824	133.0%	139.0%		76 404
Municipal Manager	19 168	(3 903)	15 264	16 231		967	106.3%	84.7%		18 190
Corporate Services	742	359	1 100	1 519		419	138.1%	204.9%		629
Financial Services	96 240	518	96 757	96 387		(370)	99.6%	100.2%		91 275
Community and Public Safety	55 391	1 598	56 989	53 457		(3 532)	93.8%	96.5%		48 438
Technical Services	451 199	(5 900)	445 299	414 667		(30 632)	93.1%	91.9%		393 005
Human Settlement	16 170	26 192	42 362	11 569		(30 793)	27.3%	71.5%		46 934
Strategic Services	–	2 224	2 224	1 348		(875)	60.6%	100.0%		–
Total Revenue by Vote	690 581	23 437	714 018	667 026		–	93.4%	96.6%		674 875
Expenditure by Vote										
Executive & Council	62 933	(1 616)	61 317	72 001	–	10 684	117.4%	114.4%	–	61 198
Municipal Manager	25 303	(3 897)	21 406	19 527	–	(1 880)	91.2%	77.2%	–	18 183
Corporate Services	26 695	490	27 184	25 100	–	(2 084)	92.3%	94.0%	–	23 153
Financial Services	47 022	(68)	46 954	38 847	–	(8 107)	82.7%	82.6%	–	41 549
Community and Public Safety	139 337	(19 221)	120 116	117 731	–	(2 385)	98.0%	84.5%	–	108 002
Technical Services	335 603	(3 929)	331 674	314 665	–	(17 009)	94.9%	93.8%	–	295 776
Human Settlement	26 733	15 012	41 745	14 575	–	(27 170)	34.9%	54.5%	–	54 770
Strategic Services	25 062	(1 843)	23 219	20 326	–	(2 893)	87.5%	81.1%	–	19 833
Total Expenditure by Vote	688 688	(15 072)	673 615	622 771	–	–	92.5%	90.4%	–	622 463
Surplus/(Deficit) for the year	1 893	38 510	40 403	44 255		–	109.5%	2337.7%		52 411

MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description R thousand	2019/20								2018/19	
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Restated Audited Outcome
Revenue By Source										
Property rates	93 375	(644)	92 730	92 909		179	100.2%	99.5%		88 173
Service charges - electricity revenue	253 609	(21 225)	232 384	340 097		107 713	146.4%	134.1%		334 931
Service charges - water revenue	70 738	(9 739)	60 999	–		(60 999)	0.0%	0.0%		
Service charges - sanitation revenue	34 809	(347)	34 462	–		(34 462)	0.0%	0.0%		
Service charges - refuse revenue	19 023	(307)	18 715	–		(18 715)	0.0%	0.0%		
Rental of facilities and equipment	3 065	(818)	2 247	2 716		468	100.0%	100.0%		3 418
Interest earned - external investments	6 235	4 154	10 389	10 999		609	105.9%	176.4%		8 963
Interest earned - outstanding debtors	6 840	(2 108)	4 732	3 687		(1 044)	77.9%	53.9%		5 098
Fines	7 345	(921)	6 424	12 303		5 879	191.5%	167.5%		8 953
Licences and permits	350	(91)	259	–		(259)	0.0%	0.0%		
Agency services	3 979	1 513	5 492	4 637		(856)	84.4%	116.5%		5 666
Transfers recognised - operational	102 404	16 885	119 290	94 712		(24 578)	79.4%	92.5%		130 693
Other revenue	23 982	(4 266)	19 716	37 189		17 473	188.6%	155.1%		48 148
Gains on disposal of PPE	–	–	–	–		–				–
Total Revenue (excluding capital transfers and contributions)	625 754	(17 913)	607 841	599 250		(8 592)	98.6%	95.8%		634 043
Expenditure By Type										
Employee related costs	276 836	(22 249)	254 587	250 142	–	(4 445)	98.3%	90.4%	–	233 488
Remuneration of councillors	11 650	246	11 897	11 213	–	(684)	94.3%	96.2%	–	10 887
Debt impairment	18 932	13 737	32 669	24 386	–	(8 283)	74.6%	128.8%	–	30 243
Depreciation & asset impairment	41 305	(150)	41 156	62 086	–	20 930	150.9%	150.3%	–	40 828
Finance charges	11 252	(4 387)	6 866	5 977	–	(889)	87.1%	53.1%	–	8 021
Bulk purchases	181 100	(6 000)	175 100	169 110	–	(5 990)	96.6%	93.4%	–	153 186
Other materials	27 246	(5 333)	21 913	16 176	–	(5 737)	73.8%	59.4%	–	19 314
Contracted services	38 969	(3 016)	35 954	23 062	–	(12 892)	64.1%	59.2%	–	23 480
Transfers and grants	3 240	3 357	6 597	4 717	–	(1 880)	71.5%	145.6%	–	3 788
Other expenditure	78 121	8 757	86 878	48 860	–	(38 018)	56.2%	62.5%	–	98 366
Loss on disposal of PPE	–	–	–	2 448	–	2 448			–	961
Total Expenditure	688 652	(15 037)	673 615	618 176	–	(55 439)	91.8%	89.8%	–	622 562
Surplus/(Deficit)	(62 898)	(2 876)	(65 774)	(18 927)		46 847	28.8%	30.1%		11 481
Transfers recognised - capital	64 827	41 350	106 177	63 182		(42 995)	59.5%	97.5%		40 930
Surplus/(Deficit) after capital transfers & contributions	1 929	38 474	40 403	44 255		3 852	109.5%	2294.2%		52 411

MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2019/20								2018/19	
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	12
Capital expenditure - Vote										
Multi-year expenditure										
Executive & Council	–	–	–		–	–	0%	0%	–	–
Municipal Manager	–	–	–		–	–	0%	0%	–	–
Corporate Services	–	–	–		–	–	0%	0%	–	–
Financial Services	–	–	–		–	–	0%	0%	–	–
Community and Public Safety	880	–	880		–	(880)	0%	0%	–	5 030
Technical Services	29 598	4 694	34 292		–	(34 292)	0%	0%	–	20 917
Human Settlement	9 000	–	9 000		–	(9 000)	0%	0%	–	–
Strategic Services	–	–	–		–	–	0%	0%	–	–
Capital multi-year expenditure	39 478	4 694	44 172	–	–	(44 172)	0%	0%	–	25 947
Single-year expenditure										
Executive & Council	–	–	–	–	–	–	0%	0%	–	–
Municipal Manager	2 740	(1 281)	1 459	–	–	(1 459)	0%	0%	–	2 623
Corporate Services	–	–	–	–	–	–	0%	0%	–	–
Financial Services	1 844	100	1 944	–	–	(1 944)	0%	0%	–	2 836
Community and Public Safety	16 228	–	16 228	357 325	–	(15 870)	2%	2%	–	1 115
Technical Services	64 472	950	65 422	24 938 004	–	(40 484)	38%	39%	–	18 888
Human Settlement	108	–	108	4 347 826	–	4 240	4026%	4026%	–	–
Strategic Services	2 465	–	2 465	–	–	(2 465)	0%	0%	–	206
Capital single-year expenditure	87 856	(231)	87 625	29 643	–	(57 982)	34%	34%	–	25 669
Total Capital Expenditure - Vote	127 334	4 463	131 797	29 643	–	(102 153)	22%	23%	–	–
Capital Expenditure - Standard										
Governance and administration	3 620	(217)	3 403	2 793	–	(610)	82%	77%	–	8 525
Executive and council	2 092	(693)	1 399	1 304	–	(95)	93%	62%	–	5 688
Finance and administration	1 508	476	1 984	1 489	–	(495)	75%	99%	–	2 836
Internal audit	20	–	20	–	–	(20)	0%	0%	–	–
Community and public safety	13 837	12 098	25 936	6 787	–	(19 148)	26%	49%	–	2 894
Community and social services	10 242	3 398	13 641	1 101	–	(12 540)	8%	11%	–	259
Sport and recreation	1 976	(300)	1 676	746	–	(930)	45%	38%	–	1 626
Public safety	1 511	–	1 511	593	–	(918)	39%	39%	–	1 009
Housing	108	9 000	9 108	4 348	–	(4 760)	48%	4026%	–	–
Health	–	–	–	–	–	–	0%	0%	–	–
Economic and environmental services	15 014	4 456	19 470	11 562	–	(7 909)	59%	77%	–	5 067
Planning and development	1 215	1 250	2 465	1 149	–	(1 316)	47%	95%	–	206
Road transport	13 799	3 207	17 006	10 413	–	(6 592)	61%	75%	–	4 860
Environmental protection	–	–	–	–	–	–	0%	0%	–	–
Trading services	57 008	25 979	82 988	52 138	–	(30 850)	63%	91%	–	38 205
Energy Sources	6 483	3 609	10 093	10 233	–	140	101%	158%	–	5 647
Water Management	42 326	24 531	66 858	37 759	–	(29 099)	56%	89%	–	20 938
Waste water management	7 729	(1 971)	5 758	4 145	–	(1 612)	72%	54%	–	8 360
Waste management	470	(190)	280	–	–	(280)	0%	0%	–	3 260
Other	–	–	–	–	–	–	0%	0%	–	–
Total Capital Expenditure - Standard	89 480	42 317	131 797	73 279	–	(58 517)	56%	82%	–	54 690
Funded by:										
National Government	47 828	22 962	70 790	55 500	–	(15 289)	78%	116%	–	33 906
Provincial Government	9 652	14 422	24 074	–	–	(24 074)	0%	0%	–	1 874
District Municipality	–	–	–	–	–	–	0%	0%	–	–
Other transfers and grants	–	–	–	62	–	62	0%	0%	–	–
Transfers recognised - capital	57 480	37 384	94 864	55 563	–	(39 301)	59%	97%	–	35 781
Public contributions & donations	–	–	–	–	–	–	0%	0%	–	20
Borrowing	18 000	–	18 000	8 670	–	(9 330)	48%	48%	–	–
Internally generated funds	14 000	4 933	18 933	9 047	–	(9 886)	48%	65%	–	18 889
Total Capital Funding	89 480	42 317	131 797	73 279	–	(58 517)	56%	82%	–	54 690

MUN - Reconciliation of Table A7 Budgeted Cash Flows								
Description	2019/20							2018/19
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and Other	489 885	(49 284)	440 601	444 698	4 097	100.9%	90.8%	441 753
Government Grants and Subsidies	167 231	58 235	225 467	171 251	(54 215)	76.0%	102.4%	200 783
Interest	12 870	2 015	14 884	9 765	(5 119)	65.6%	75.9%	8 963
Payments								
Suppliers and employees	(594 070)	20 477	(573 593)	(492 674)	80 919	85.9%	82.9%	(520 794)
Finance charges	(11 252)	4 387	(6 866)	(4 687)	2 179	68.3%	41.7%	(7 265)
Transfers and Grants	(3 240)	(3 357)	(6 597)	(4 717)	1 880	71.5%	145.6%	(3 788)
NET CASH FROM/(USED) OPERATING ACTIVITIES	61 424	32 473	93 896	123 636	29 740	131.7%	201.3%	119 652
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	462	462	100.0%	100.0%	–
Payments								
Capital assets	(80 532)	(51 265)	(131 797)	(71 358)	60 439	54.1%	88.6%	(51 604)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(80 532)	(51 265)	(131 797)	(70 896)	60 901	0.0%	0.0%	(51 604)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	18 000	–	18 000	18 000	–	100.0%	100.0%	–
Increase (decrease) in consumer deposits	592	–	592	–	60 439	0.0%	0.0%	–
Payments								
Repayment of borrowing	(17 000)	1 751	(15 249)	(16 102)	–	105.6%	94.7%	(15 906)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1 592	1 751	3 343	1 898	–	56.8%	119.2%	(15 906)
NET INCREASE/ (DECREASE) IN CASH HELD	(17 516)	(17 041)	(34 557)	54 639				52 141
Cash/cash equivalents at the year begin:	72 761	50 388	123 149	123 149				71 007
Cash/cash equivalents at the year end:	55 244	33 347	88 591	177 787	–	200.7%	321.8%	123 149